the Freeman

Ideas on Liberty

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A MONTHLY JOURNAL OF IDEAS ON LIBERTY

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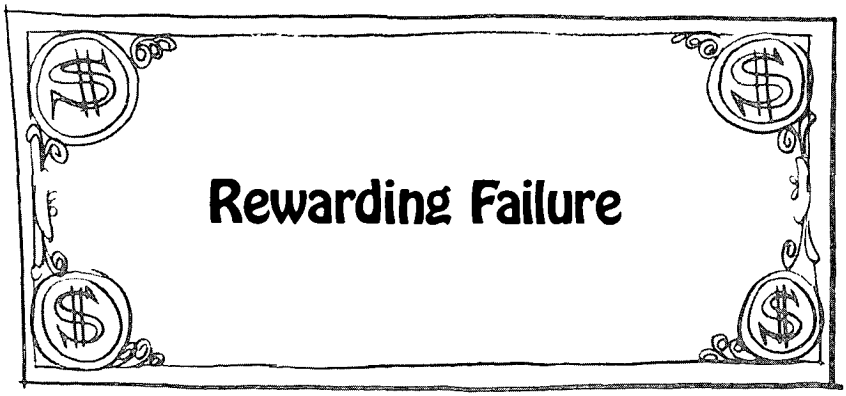

RICHARD C. RENSTROM

JIM AND MARY ANN are a typical hard-working middle-class Ohio couple. Both hold down full time jobs, and feel they must in order to support their five children on their $11,000 combined annual incomes. They live in a modest home and pay their bills promptly, but find it impossible to save anything.

Across the street is another family. This family lives in a pretentious home and drives an expensive luxury automobile. The father, however, is unemployed, which allows the family to receive $194 worth of food stamps each month plus the benefit of other social services. Unusual? No, unless you are aware that he is unemployed because he was caught embezzling funds from his employer's till!

A little further east, in New York, two brothers decide to buy homes for their families. One brother is industrious and goes to night school to qualify for a promotion at his factory. The other brother drinks excessively and makes little effort to hold a steady job. In order to buy their homes, the first brother had to pay a steep interest rate and make a substantial down-payment, while the second brother discovered that he qualified for low-income housing which would cover most of his expenses and interest charges.

Across the country, in Idaho, a young mother with one child de-

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Mr. Renstrom of Caldwell, Idaho, writes from many years of experience in various Federal and state programs dealing with the "disadvantaged."

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cides to divorce her husband. The family income is low enough to qualify her for the services of a taxpayer-supported "legal aid" lawyer to obtain the divorce. The divorced mother then receives welfare payments. She bears two more children, both illegitimate. With the birth of each child she also receives an increase in her welfare allotment.

Meanwhile, back in Chicago, a young lady seeks one of the many government grants or loans available to college students. Though an honor student, she finds that the modest sum her middle-class parents have saved for retirement disqualifies her from any scholarship help. Her friend, who is a mediocre student, has no difficulty at all in qualifying for several government grants. The earnings of the two families are about the same. But instead of trying to save for their old age the parents of the second girl have spent their money on a beautiful home with fine furnishings, fancy cars, many vacations, and a high-stepping social life.

Further west, in California, a divorced mother of three decides not to work, which means that she may receive welfare, food stamps, free medical care, legal aid, rent subsidy, free school lunches, and other social services. For her to support such a standard of living would require a job paying $11,500 per year. Since there is small chance of her getting such a job, she just sits – at the taxpayers' expense!

The Cumulative Impact of Various Programs

To the vast majority of hard-working middle-class Americans these may seem like shocking situations. But the piling of one social program upon another has created a situation where such occurrences are becoming commonplace. The world of social programs has become so immense in recent years that no one person or bureau can tell just how many people are receiving these welfare handouts. The best educated guess is that in excess of thirty million people will receive some sort of a handout this year.

Proof of this is the cost, with social programs now being the largest portion of the $304 billion budget proposed by President Nixon for 1974-75. Total outlays for social welfare by Federal, state, and local governments are expected to exceed $200 billion this year – a fact attested to by the staggering tax load being borne by the middle-class wage earners of America.

Perhaps the most tragic part of this maze of social programs is the theme that has emerged in recent

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years – a theme of rewarding failure. By rewarding laziness, immorality, a disinclination toward self-improvement, divorces, and even crimes, our society has put itself in the position of punishing the hard-working middle-class citizen who pays the taxes and keeps his own house in order. Reeling under such an oppressive tax burden, many middle-class workers are beginning to ask if perhaps our nation has made a mistake and gone down the wrong road.

The Economic Opportunity Act

The mistake as they see it was the Economic Opportunity Act of 1964 – a landmark piece of legislation that started this nation down a different path. With the "war on poverty" seemed to come a new philosophy – one of rewarding failure and punishing the traditional virtues of hard work and a sense of personal responsibility. The negative income approach came into use. If your income is above a certain figure you do not qualify, and if below, you do. An individual is not responsible for his own failures; it is a "cold and cruel society" which is at fault. For his failures and for society's transgressions against him, the "disadvantaged" would be showered with program after program as well as a liberal infusion of cold cash.

It has taken several years for these many programs to develop, of course, but it begins to be painfully clear to the middle-class American that he has come out on the short end of the deal. Take the popular Food Stamp program, for instance.

Under the guidelines, any family with an income below a certain level and with no more than $1500 of liquid assets can receive the stamps. The program thus starts right off by punishing thrift. If you save a little for your retirement you are punished; conversely, if you spend all your cash on wild parties or just the simple luxuries of life, you are rewarded.

The stamps are purchased – the purchase price depending on the monthly income. Recipients can deduct taxes, some housing costs, medical expenses, and work expenses when they compute their monthly income, so that a family of six can earn well over $700 a month before they are ineligible.

With the increased price of food, this "free food" program has brought many angry responses from housewives across the land. "My husband works ten hours a day to feed our family," one woman says, "yet the bars and pool halls are full of lazy men whose families are receiving stamps." Another woman echoed an oft-repeated comment that "the only

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people hauling steak and prime ribs out of the store these days are the rich and the food-stamp people. The rest of us middle-class people are lucky to afford hamburger."

Perhaps the most shocking part of the food stamp scheme is that there are no criteria, other than income, to qualify. A man can lose his job because of committing a crime and qualify, hippies living in a commune on drugs with no desire to work can qualify, as can any bum in the country. Nowhere is there any need to work or even actively seek work in order to receive food stamps.

Nowhere is this change of philosophy more apparent than in our ever-expanding welfare rolls. We now have "welfare rights," which brought a sharp reply from one taxpayer I interviewed who said that "no man or woman has a moral right to charity, either through the tax system or from private sources. Welfare is a privilege, not a right."

Why Struggle?

There are many shocking stories about the welfare game. Perhaps the most absurd is the case of one young lady who was put through a six-month medical secretary's training program at the taxpayers' expense. She worked for several months after she graduated, only to quit her job and go back on welfare when she found it financially to her advantage to do so. As the employment service counselor later told me, "No one should be denied the right to fail, but nobody should be paid to fail"!

The story of welfare recipients bearing illegitimate children and then receiving increased payments is well-known, of course. I wanted to find out if there was any way this could be stopped. "We can counsel them and offer birth control methods," one case worker told me, "but there is no way we can actually stop them from receiving increased benefits." The woman is thus rewarded for her immoral conduct, and society coughs up more taxes to pay for her failures.

There are, of course, many other OEO type programs, all of which have a built-in criterion of rewarding failure. The Job Corps and the Manpower Development and Training Act are two which provide training opportunities for youth and adults. Not just anyone can qualify, of course, since it is first necessary to fail. The best way is to drop out of school or to loaf at the job.

This brings up the question of just what percentage of poverty is caused by things within a person's control and what percentage by outside forces. So I interviewed

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dozens of counselors, job replacement specialists, and case workers to get the answer.

Laziness

The answer they gave came through strong and clear: the single greatest cause of poverty is still laziness! Case worker after case worker voiced the same view that low incomes usually result from not trying very hard. The ones I interviewed agreed that society has an obligation to help those who are truly helpless, but there was also unanimous agreement that our maze of social programs is encouraging an overwhelming percentage of low-income people to shun hard work and thus continue to qualify for the ever-expanding programs available.

In order to qualify for MDTA or Job Corps training a person must be below the income criterion and preferably a school drop out. Once qualified, the recipient is eligible for training that will cost anywhere from $1500 to over $4000 per year – all at the taxpayers' expense, of course. To struggling middle-class taxpaying parents who haven't failed, this may come as a bitter pill as they face the costs of keeping their own children in college.

College costs have skyrocketed in recent years, of course, but what really hurts is the change in emphasis from "merit" to "need" to qualify for financial aid. It used to be that the students who dug in and got the grades received the financial aid. Now the emphasis is on helping low-income students, regardless of their ability, grades, or motivation.

Under the Basic Educational Opportunity Grants program a student can receive up to $1400 in a direct gift from the government each year, and there are other Work Study and Student Loan programs available. Students from middle-income families who might have saved a little for retirement need not waste time applying for these, however, since the complex formula used to determine "need" will rule them out. The old American virtues of hard work and thrift are once again punished, and the "new" virtues of laziness and profligacy are rewarded.

This change in scholarship philosophy has had a profound effect upon our college campuses. "There is no such thing as a middle-class student on our campus any more," the admissions officer of a small private Western college told me. "All we have now are the rich and the poor – the middle-class family is gone from our school. I guess they are too busy paying taxes so the 'disadvantaged' students can attend," he said.

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Free Lunches

This new theme of rewarding failure has even permeated the primary school system, where some of the students receive "free" lunches while the majority do not. "I don't object to a school lunch program," one mother of five told me, "but I just don't think it's fair that my husband and I both have to work hard to support our family and then pay taxes so that the children of lazy parents get free lunches while we have to send cold lunches with our kids because we can't afford the expense of five hot lunches each day." Many people I talked to felt the same, the consensus being that everyone should receive a free lunch rather than discriminate against those parents who work hard to support their families. School administrators also seemed to be in agreement that programs with negative qualifying criteria are destroying incentive to improve one's lot in life.

Nor do the school programs end here. One of OEO's most significant programs is the Neighborhood Youth Corps – a program to put jobs into the hands of "disadvantaged" students. To qualify for these part time jobs a student must – you guessed it – come from a low-income family. No one objects to giving these kids a chance, of course, but is it fair to the middle-class student who wants a job and can't get one? Many Youth Corps supervisors told me the same story – jobs go begging for applicants due to the lack of motivation on the part of the disadvantaged, yet they can't give the job to a highly motivated middle-class student who is desperately trying to earn money for college. "It's crazy," one school administrator told me, "when we punish the highly motivated middle-class kid whose parents pay the taxes by denying him the chance to fill one of these empty Youth Corps slots that are going begging."

Free Medicine

Perhaps the biggest give-away of all, however, is Medicaid. This medical care program for the disadvantaged provides a spectrum of free medical services far more comprehensive than any combination of Medicare, Blue Cross, and your pocketbook. Dental care, eyeglasses, prescriptions, and even office calls are all covered, which prompted one physician to tell me that his "disadvantaged" patients were receiving better medical care than his own children!

The only way to qualify, of course, is to not earn very much. One hesitates to say anything against medical care for the poor, yet there was surprising agreement among the medical and social

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people I interviewed that Medicaid, piled on top of all the other social programs, is destroying the incentive to improve one's income. As one physician told me, "Medicaid alone is not the problem, but rather it is all these things combined that makes it so attractive to remain a low-income family."

These other things include such goodies as free legal help for anything from criminal defense to divorce, along with representation to gain welfare "rights," rent subsidies, low-income housing where the government pays all but one per cent of the interest (temporarily suspended by President Nixon's orders), day care centers, free transportation, public health clinics, special education classes for teaching minority-group history and culture to those who refuse to be "Americanized," and many others – all paid for by hard-working middle-class citizens who are legally barred from the benefits of such programs.

Where It All Ends

This proliferation of poverty programs has placed such a tax burden on American middle-class families that they are bound to question a policy of rewarding failure, especially at a time when the price of everything seems to be going out of sight.

Perhaps the greatest tragedy of all, however, is not the cost in dollars, but rather the subsidized encouragement of failure, immorality, and irresponsibility. This new philosophy blinks at the reality that plain old laziness is still the single greatest cause of poverty in all the land. Present programs are wasting the taxpayers' dollars on people who lack the ability or desire to achieve the goals of such programs.

The present mind-boggling maze of Federal poverty programs is causing immense frustration among Americans who feel their traditional values of hard work, thrift, morality, self-improvement, and discipline are being punished.

Let us not forget that America was built by hard work, not welfare. Rewarding failure and punishing the traditional American virtues is not going to solve our problems – it is only going to lead us down the road to mediocrity.

We need to redirect our rewards toward those people who make an honest effort to improve themselves, and away from programs that encourage the recipients to remain on the dole. We should maximize the opportunities to succeed through personal endeavor and open competition in the market, and above all, we should quit rewarding failure.

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"Speak for Yourself, John" Revisited

RIDGWAY K. FOLEY, JR.

SEVERAL YEARS AGO, Leonard E. Read explained the function of the Foundation for Economic Education, Inc., in a little pamphlet entitled "Speak for Yourself, John." As always, his message contained great merit: too many Americans recognize that the national situation is faltering badly but "they leave the task of speaking out to organizations and professionals and, by so doing, gain a false sense of discharging their social responsibility."[1]

Mr. Read's salient message and historical title started my thinking along a different but related path. Too few individuals in modern society speak for themselves – they prefer to descant and act for others, to bind their fellowman and to restrict his choice. In so doing, they render their neighbor less of a human being.

A litany of the mundane but eternal acts of speaking for others boggles the mind when viewed in the glare of searching analysis. I band together with like-minded souls and use the coercive force of government to ban highway advertising in the form of billboards, all in the name of ecological sanity and environmental beauty. No matter that some travelers along the freeways which crisscross our nation find billboards illuminating, educational and relaxing. No concern that the farmer along the road may put the income from the signs painted on his barn to good use, like buying penicillin for his enfeebled wife, or educating his children. I choose to speak only incidentally for myself; I assume the arrogant pose of expounding for the weary traveler and the embattled farmer.

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[1] Read, Leonard E., "Speak for Yourself, John" appearing as chapter 19 in the book, *To Free or Freeze*. (The Foundation for Economic Education, Inc., Irvington-on-Hudson, New York, 1972).

Mr. Foley, a partner in Souther, Spaulding, Kinsey, Williamson & Schwabe, practices law in Portland, Oregon.

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Meddlesome Neighbors

Again, I gather with my neighbors and either directly or indirectly vote to impose an income tax increase upon all persons within a given category for the laudable purpose of donating funds to the underprivileged. No matter that the coerced "donors" may prefer to choose their own charities. No concern that the recipients of the largess may feel demeaned by being made objects of welfare (one can give and receive assistance more gracefully and humanly sans bureaucracy). I speak for all — mulcted and demeaned, creative and needy — when I choose the course which I demand that they follow.

A third example from the myriad ones which abound these days: I plunder the liberty of others by prohibiting them from engaging in pursuits which appeal to them and which neither coerce nor defraud others. I close movie houses showing X-rated films to adults; I impede farmers from exceeding an arbitrary grain or beef allotment; I bar American citizens from fleeing fiat currency into gold; I demand that homeowners with septic tanks hook up to a sewer line. In each example I speak for others, and bind their actions as surely as if I chained them.

Notice that when we tax or regulate those less potent than ourselves we often do so in their name and for their own good. We assume, like little dictators, that we know better than anyone else how their lives should be lived. We are so certain that we, and only we, know what constitutes goodness, rightness, justice and truth. Biblical testimony applied an apt label to people like us: righteous. The term came to encompass the pejorative sense of self-important little creatures unaware of their own finiteness.

My words have been chosen carefully to this point: for several paragraphs I have employed the first person singular; the last paragraph I switched to the first person plural. Two reasons for this grammatical choice merit examination.

First, I use the word "I" advisedly, for no one of us lives without sin in this regard. Each of us, even the strictest libertarian, harbors secret projects within his breast which "justify" a suspension of the rules. Damn all the taxing authorities and their petty schemes, but salvage the local art museum operated at public expense because *I* think it is so worthwhile that it must survive and it cannot survive without coercive exactions.

The moral? Each of us must constantly guard against the very

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human tendency to make exceptions and each of us must seek consistency as his banner. Each erosion of freedom, no matter how slight, chips away at our vital transcendent rights, our humanness. No liberty stands alone. If I may make an exception for my art museum, you may make an exception for your import duties, and the fellow down the street may argue for a law which requires gun registration.

Second, I switched to the term "we" in order to emphasize that man tends to salve his conscience when he performs unjust and immoral lootings by committee. Somehow, it doesn't seem so evil to deprive a citizen of his life, his liberty, or his property if "all of us" do the trick together. Yet, in final analysis, each man must bear full responsibility for the consequences of his own acts, no matter if they are performed in the name of a politburo, a committee, a corporation, or a state. Thus, *I* tax, spend, and destroy if *I* support the policies, elect the officials, hesitate to criticize, stand mute, or benefit from this organized corruption. I can't hide under "we" for "we" is just a "bunch of I's."

Self-Exemption

An additional noteworthy fact appears when we deliver more than a cursory glance at the problem: we are really speaking for a neighbor alone in most instances and not for ourselves. We tend to leave ourselves out of the picture. The man advocating increased aid to dependent children most often favors the collection of funds by means of an income, sales, or property tax which will fall more heavily, or totally, *upon someone else.* He may possess the purest motives and the most desirable goals but he wants someone else to pay. I do not contest the right of a wealthy politician to give away his estate to needy orphans; I rather resent it when he gives away *my estate* against my will and raises his own salary in the process.

Perhaps we tend to forget why we should speak only for ourselves and not for others. Simply stated, not one of us possesses any innate gift which enables him to determine the destiny of another human being. Each of us can run his own life better than any other person, better than Albert Einstein, better than John Stuart Mill, better than George Washington. Picture the most brilliant and incisive individual you can conjure up; he still falls short in capacity to govern the life of another individual because of his finity, his inability to creep into the mind and soul of the other. Anyone who has ever acted as executor, trustee, guardian, attorney, or fiduciary can

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attest to the difficulties inherent in managing the business and personal decisions of his ward.

Consider what transpires daily when we arrogate to ourselves the power to speak for those who have not given us authority to represent them. On the one hand, one who speaks for another assumes unwarranted control over the life and liberty of his subject. At the same time, he tends to assume that he is entitled to greater worth and stature than those lowly persons who are beneath him.

On the other hand, the object of such intervention starts to feel alienated and demeaned; he becomes less of a human being because others deprive him of one essential element of humanness: the meaningful power of choice and control over one's own life. Feeding and care of hungry derelicts may constitute a worthy goal; the acting individual gains greater meaning and lives a higher life when he helps others by virtue of his own decision than when he acts under duress and compulsion. True charity exists when I help my neighbor in need; false charity appears when my neighbor steals my property to give, like Robin Hood, to the "poor."

Furthermore, enforced choice creates an alienation and anonymity all its own. When we purport to speak for our neighbors, we do not think of them as human beings, as friends, as relatives, but rather in an abstract sense. When I participate in these acts, I limit my brother's freedom, not just the liberty of some faceless stranger.

In final analysis, each of us should speak for himself alone and not for others in society when there is no voluntary agreement with those others to allow us to represent them. We should be proud of our choices and willing to live with their consequences, but we should avoid at all costs the arrogance which encourages us to declaim for others.

IDEAS ON LIBERTY

Leo Tolstoy

FROM THE DAY when the first members of councils placed exterior authority higher than interior, that is to say, recognized the decision of men united in councils as more important and more sacred than *reason and conscience;* on that day began the lies that caused the loss of millions of human beings and which continue their unhappy work to the present day.

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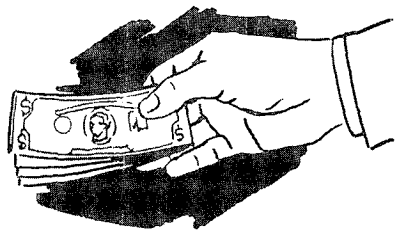
CHARLES R. LADOW



What Is *PHILANTHROPY?*

SINCE THE STATE has, in our time, assumed the status of the chief philanthropic institution in the nation, it is well that we should re-examine the roots of the word, philanthropy.

Casual inspection of any dictionary gives us a definition: "Love for mankind; good will to all men;—opposed to *misanthropy*." The source is, of course Greek: *philos* (loving) + *anthropos* (man). Older *Webster Internationals* gave "human being" as an alternative to the generic sense of "man." Indeed, the Greek originators of the term used it either generically, or in the individual sense, as we do, from Homer onward. Liddell and Scott's *Greek-English Lexicon* informs us that Homer even used *anthropos* in referring to the dead. In considering philanthropy, it is important that we should distinguish between our use of the term, *man*, in the generic sense, or as indicating the individual; or as a collective or distributive noun. Do we mean, by philanthropy, "the love of mankind," or "the love of human beings?"

This is no quibble. Technically speaking, Latin scholarship has demonstrated that *ens* (something) and *unum* are interchangeable terms, which may be predicated of one another, i.e., "one is something, or something is one." To put it in ordinary words, anything which is not individually distinguishable may be imaginary; but it is not real to human perception. Not to keep this in mind is to make communication impossible. We don't know what we are talking about. Only God, or his chosen ministers, could love mankind in the purely generic sense.

Mr. LaDow, of San Diego, recently retired as a teacher of social studies in high school.

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Common sense also validates this truth. None of us ordinary mortals can realize love which is unapplied to individuals, whether it be God, self, another person, or any number of individuals. To love "mankind" is to be out of touch with reality, as far as human affairs go. Any affection must have an object.

Of course, it is possible to love a principle, such as humaneness or godliness, and one may fasten love upon anything imaginable. Anything possible to the mind of a person may be a real object of love – to him. But here we reach into the ineffable. Tragic though it may be, this must be a lonely vigil. It is out of the concourse of human philanthropy.

Look to the Individual

Practical philanthropy must look upon *anthropos* (man) as a distributive noun. In so doing, it cannot look upon people as members of classes, races, or any other form of collective entity, except in an accidental sense. For this very good reason, the Goddess of Justice is blind. Justice is even-handed. Each person must stand, equal and alone, before the bar. Quotas or class discriminations have no place here, pro or con. Genuine philanthropy requires that each individual receives the love and treatment he deserves. To do otherwise is to rob the more deserving.

One must be blind indeed not to recognize the difference in quality of persons. Also, he must see that such differences exist without regard to race, class, sex, or any other generic classification. Discrimination with regard to such individual differences is the first requirement of survival. One should not marry a murderer or employ a thief, regardless of what other categories might fit such persons. It is unlikely that one could love without the capability of hatred, or even know the difference. The viability of any society rests on the quality of discrimination shown by its citizens. By shunning the evil and rewarding the good and productive, they educate one another. Where this process works well, the need for police is minimized.

Citizen acts of terrorism (extreme misanthropy) are inevitable signs of ubiquitous government. When the state absorbs moral control, the moral controls of society become powerless. Most persons do not care, nor do they dare, to intervene in a drama in which they are not cast. People only love and tend a society of their own voluntary making, as demonstrated by the widespread decline of patriotism. Even the resort of the young to communes is part of this

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alienation. Lack of respect for parental and other authority, including business leaders, is functionally connectable to their acceptance of the state as patron. Although the vigilante spirit and lynch mob are not unknown to self-policing society, the inevitable arising of terrorism in the police state, apparent worldwide today, is vastly more terrible and destructive of the philanthropic spirit.

The Greeks Had Two Words

Collectivizing *anthropos* did not begin with Karl Marx. As pointed out, the ancient Greeks were somewhat ambiguous with the term. Plato's leaning toward the Spartan model is well known. Paradoxically, Marx admired Aristotle, who was systematically critical of Plato's collectivist system of "ideas." Such disparate thinkers as St. Augustine and Rousseau contributed to the intellectual collectivization of man. But, in the past hundred years the process has accelerated to the point where very few intellectuals seem to understand clearly that a person is an individual. Hence, the bio-chemist, Roger J. Williams has found it fitting to remind us, in his recent book: *You Are Extraordinary*. Since this mental aberration has spread worldwide, it is difficult to find living examples of a society of responsible individuals larger than a household.

The ultimate excuse for the politicization of philanthropy is that society has grown too complex for individualism to be counted. As Leonard Read has pointed out, this argument is false, both in fact and logic. The division of labor in industrial society has placed burdens of responsibility on the individual beyond any comparison in history. Likewise the part which each individual plays in the economic world is vastly simplified by business organization, upon which government is mainly parasitical. Whenever the political managers get sufficiently fouled up in sharing-the-wealth programs and directing our lives, they indicate that they know where the skills are by calling businessmen to Washington to straighten out the mess. Anyone should know, by now, that politicians are the last persons who should be allowed to control an economy, especially in the name of philanthropy. The increasing complexity and differentiation in the ways people exchange goods and services indicate a need for greater decentralization; not for further centralization of power. Big business recognizes this by increasing resort to sub-contracting factors in production. Government, on the other hand, becomes more centripetal by

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the hour, in power and function.

The hoary nineteenth century fear that corporate monopoly must inevitably destroy opportunity for the individual entrepreneur is still parroted by charlatans and the ignorant; but anyone who troubles to look at the facts will see that small business flourishes as never before. Government, itself, is the one true monopolist. Hence the whole antitrust machinery of government, aside from cases of real fraud, is counterproductive, representing a needless ultimate added cost to the consumer and taxpayer. This imposition is vastly aggravated by the failure of politicians to apply the same standards to labor unions in "restraint of trade" which are so grievously, if unevenly, applied to corporate business. In this, as in the whole field of government control of private exchange, politicians can lay no claim to philanthropic function. The bill for their power-struggle is an onerous burden placed on the fundamental *anthropos:* the consumer. Together with government-made inflation, this is clearly reflected in a galloping rise in the price structure: a strange philanthropic outcome!

The System at Fault

It should be needless to point out that these strictures on the heartlessness of government "giving" are not intended to apply to any particular member of the bureaucracy. Truly philanthropic individuals may be found in any system. No doubt there are humane guards (so far as they are allowed to be) even in Russian prison camps. However, there is a basic misanthropy in any non-discriminating system of collectivism. Not to recognize the uniqueness of the individual is a mark of indifference, if not hatred. As any observant cowboy can tell you, there are even personality differences in a herd of cattle. This writer has also encountered members of the bureaucracy discussing among themselves its heartlessness toward beneficiaries.

There is no way in which government can be philanthropic in the distributive sense. Abjured by the most basic rule of law that public funds may not be appropriated to private benefit, it must see that its beneficences are only applied on a categorical basis. One must fall within the parameters of an abstract class in order to enjoy any one of the benefits. Since, in real life, few persons fit into neat categories, either in their needs or deserts, anyone who has dealt with the public bureaucracies has felt the twinge of their uneven performance. Even necessary criminal laws often present the face of injustice in their enforcement.

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This may be borne; but heartless philanthropy is a contradiction in spirit which must be offensive to anyone with sensibilities. Since the whole charade of government philanthropy has been built upon the assumption that private charity is demeaning, it is an exercise in futility. In private charity, one is, at least, looked upon as an individual. Furthermore, he knows that any gift is voluntary and not wrested from someone else by force.

Health Care Intervention

Governmental intrusion into health care is another example of philanthropic futility. Coincidental with the development of Medicare and Medicaid have come skyrocketing costs of medical services. Anyone acquainted with the law of supply and demand will know the relation of the former to the latter phenomena is causal. Public goods have the attraction of free goods and invite over-consumption of scarce resources. As it happened in England, liberal politicians now are urging a national health program. Having made health care too expensive for the average citizen, government now considers taking the whole responsibility out of his hands. Not only would this hamstring individual judgment and genuine philanthropic action in one of our finest professions; but the quality of service and cost to the ultimate consumer would fall and rise (respectively) in dramatic fashion. The costs might be hidden in taxes or inflation; but they would be there to all but the indigent. In quality of care and other costs of living, even the indigent would suffer from such an un-philanthropic move. The economic shambles of England's welfare state should be warning to us in following her march toward totalitarian controls.

Since Protagoras and Aristotle, realistic philosophers have agreed that "nothing exists apart from particulars." So, in philanthropy, they have recognized that there must be a particular giver and a particular receiver in any real philanthropic act. Of course philanthropists may act in concert, and may even be enclosed as the "fictitious individual" of incorporation. However, private philanthropy, however organized, has the magic ingredient of free and willing donation. Each individual volunteers his contribution to the benefaction. Each person who benefits may know it as a freely given gift. Just as there is no love but particular love, there is no philanthropy but the private kind of free and willing exchange. Widespread recognition of this truth is evidenced by the happiness with

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which private philanthropists go about their work and the generally gratifying nature of all their relations. The dreary bureaucracy of public charity stands in sharp contrast, as it always has.

He who loves everyone, in truth loves no one. No institution is, of itself, capable of love. It seems unnecessary to point out such evident matters. However, the recent lack of sophistication concerning ontology and etymology often finds one in a state of wonder. As Albert Jay Nock noted so many decades back, people are losing touch with reality. They can be convinced that government can be philanthropic, even when its record is documented with the grossest swindles, inequities, and downright absurdities. As Nock pointed out so simply, "No nation can afford to support all its idle people." By putting us into huge debt and inflating the currency, our politicians have attempted to do just that. At the same time, phenomenal growth of private philanthropy indicates the failure of their efforts. (Were they successful, it should be "withering away," like capitalism, in the Marxist model.) That private philanthropy is still so robust is an earnest of the spirit of the American people. There is no doubt of their widespread philanthropy. Let us order our politicians to give philanthropy back to the people. Only they know how to use it. Only they can even exercise it.

IDEAS ON LIBERTY

A Meaningless Attempt

IF WE NEED LAWS to make people treat men of other faiths and races as friends; if we need the police power of the secular state to take money from men for human need; if it is believed that the only hope of a city of God is to seek the alternative of a collectivized mass leveled to the lowest common denominator of mentality and ability – if all this be the limit of our hope for mankind, then even such activity is sheer futility, for even if such an effort could be achieved it would have no meaning at all for mankind. This rejection of personal responsibility would prove only that it is possible to make men live like whipped dogs, and the proving of it would be hell.

RUSSELL J. CLINCHY, "Charity: Biblical and Political"

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MAKERS or TAKERS

ROGER DONWAY

UNTIL quite recently, it was considered a sophisticated criticism of capitalism to dismiss it as having succeeded. From David Riesman to Daniel Bell, the prophets of abundance were most laudatory about the ability of free enterprise to meet people's needs. The enrichment made possible by capitalism was described in terms so glowing, indeed so utopian, that most capitalists would hesitate to use them.

These theorists did not, however, draw the conclusion that capitalism is a good thing. Rather, they drew the conclusion that capitalism *had been* a good thing -- in an age of scarcity. But since capitalism had eliminated scarcity, and given us abundance, it was no longer useful. Indeed, by a kind of economic Peter Principle, they reasoned that capitalism was incapable of dealing with the consequences of its own success.

Capitalism was an idea whose time had gone; now a new idea was needed to deal with the results. Specifically, these sociologists asserted that abundance required a "consumer's ethic," in which people would be free from all the constraints against consumption, including economic constraints. The policy of the future would have to be: severing the capitalist tie between production and the ability to consume.

More recently, of course, abundance has not been the social problem uppermost in the liberal mind. *The New York Times* warns us editorially (April 7, 1974) that we are entering "An Age of Scarcity." The carefree days, apparently, are over; conditions like this winter's gas and oil shortage will become more frequent, even standard. One might think, then, that we would hear a chorus from the Left demanding the return of capitalism, the magical eliminator of shortages, the system born of scarcity and limits.

But apparently not so. Mr. Allan

Mr. Donway deals as a free lance student and writer with the social implications of certain philosophical issues.

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C. Barnes, a vice-president of the Rockefeller Foundation, hastens to remind us that, after all, "*An Inquiry into the Nature and Causes of the Wealth of Nations* was written in a time of comparative plenty." Daniel Bell had said that the justification for capitalism was "the Malthusian injunction for prudence in a world of scarcity," and "the bending to niggardly nature." But now Stephen Shepard of *Business Week* tells us that "the United States was a 'cowboy economy,' with a frontier ethic of limitless resources."

Pay Attention to Need

The objection of the scarcity theorists seems to be that the free market does not recognize need as such. If a good is less plentiful than before, capitalism simply lets the price rise until it reaches a level where the quantity of the good demanded at that price is equal to the quantity of the good offered at that price. The system recognizes no intrinsic shortage or shortfall.

Paul Samuelson acknowledged that this is a logical alternative for dealing with limited resources, but the consequences of it, he said, are illustrated by the millions of deaths which occurred during the Irish potato famine. What we require for an age of scarcity, according to these critics, is a more self-conscious economic system, one which is responsive to people's needs, rather than one which bases people's comsumption merely on earnings. The policy of the future will have to be: severing the capitalist tie between production and the ability to consume.

The connection between production and consumption is thus the common enemy of these two attacks – and the real enemy, one suspects. It is therefore necessary, in answering these critics, to understand the source of that connection, and the error in trying to abolish it.

A Vital Connection

One may begin by observing that, outside a social context, the connection between production and consumption exists as a natural fact: production is the only means of assuring oneself the goods a man needs to live. And indeed those who believe that the world owes them a living do not generally try to collect that debt from the world of nature; they look instead to the world of men.

For within a social context, the connection between production and consumption is not nearly so clear. Other people are capable of producing the needed goods, and these goods can be acquired from them. Why does the acquirer have to engage in any sort of production?

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Why is it not sufficient that someone else has produced the goods he needs?

We might begin to answer those questions by asking this more general question in return: how is it that we can acquire goods from other people at all? It is, on the face of it, an odd thing to happen. After all, if other people produce goods as a means of achieving their desires, why do we expect that they will hand those goods over to us? If they need the goods, why do they get rid of them? It sounds paradoxical.

Of course, people do get rid of things they need, and even of things they desperately need. The world is filled with hungry people who are throwing their food to the wind. Such people are called sowers. And they are not considered irrational, because by throwing away their food, they can count on getting back what they desire more.

So, too, it is reasonable to expect that a person will hand over his goods to us, if his doing so is a means for getting back what he desires more. And that is just what it is in a free trade, since both sides set the terms, and both sides can insist on the terms being lived up to.

Trade, then, is a means of acquiring goods from others, and a means that it is reasonable to expect will work. But trade is not a way of separating consumption from production. For in order to engage in trade, one must have something tradable, something either produced or acquired. Since our lives have beginnings, and since we consume goods as well as trade them, it cannot be the case that the source of the goods we trade is always an earlier trade. Ultimately, all trades must be rooted in production, on both sides of the exchange.

Is there, then, *any* way of "setting free" consumption? Is there any method of acquisition which does not involve production on the side of the acquirer? Trade involves it, as we saw, because of our need to obtain the consent of the possessor of the goods. A method which obtained goods without the consent of the possessor would not have this problem. And indeed, coercive acquisition is a way of separating consumption from production: takers need not be makers.

But it is important to ask whether this way can be counted on? Can the person who tries to obtain goods by coercion reasonably expect that his actions will be the means to consumption?

A Faulty Method

I think that he cannot. Ludwig von Mises pointed out that men act only in the expectation that their

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action is the means of bringing about the future state they desire. Production makes sense, therefore, only if the producer can count on having disposal of the goods he produced. If he does not have disposal, whatever else may happen, the goods are not, for him, a means of accomplishing his desires. Thus to the extent that others, the takers, can count on controlling the producer's goods without his consent, the would-be producer has no motive for production. Precisely in those circumstances where coercion can be anticipated, the coercer cannot count on there being any goods to take.

I believe this is what Ayn Rand meant by writing the following words for her character Henry Rearden:

> If you choose to deal with men by means of compulsion, do so. But you will discover that you need the voluntary co-operation of your victims, in many more ways than you can see at present. And your victims should discover that it is their own volition – which you cannot force – that makes you possible.

Obviously, the point applies not only to individual thieves, but also to social systems based on coercion, to what Sir Henry Maine called "a society of status," and what Herbert Spencer called Toryism. None of these systems can be counted on to work; they are attempts to survive on a wing and a prayer, without the wing, and without a prayer.

Socialists, of course, have long claimed that their system had a Midas touch, and would flower to unimagined heights. I have argued here that socialism, or any coercive system, has a Tantalus touch; the goods it reaches for recede before it. It is amusing in this regard that Robert Kilroy-Silk ends his book *Socialism Since Marx* by urging us to socialism with a quote from Robert Browning: ". . . a man's reach should exceed his grasp." For the socialist, it always will.

To Buy or Not to Buy

IDEAS ON LIBERTY

THE NATURAL ORDER of things requires that the maker shall produce his goods and display them for the inspection of the buyer who is, at all times, free not to buy. The right to buy or not to buy is vital to economic well-being and, of course, to personal liberty.

SIR ERNEST BENN, "Rights for Robots"

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PERRY E. GRESHAM

The Beleaguered Businessman

THE DECLINE of the businessman's power, prestige, and self-esteem is a salient fact of our times. National heroes of business and industry have fallen by the pens of sociologists, economic historians, welfare workers, environmentalists, consumer crusaders, reform politicians, and a spate of futurists. The unions and the government regulators have reduced the freedom of action and the power of the businessman. Ford, Carnegie, Mellon, Rockefeller, and Morgan are names which once inspired awe and admiration, but today they are held accountable for many social ills such as corruption of the environment and the neglect of social costs of production. Their descendants turn from their heritage in business and industry to pursue fame in politics, for there is the focus of the new prestige.

The late Joseph Schumpeter foresaw the devaluation of status for the tycoon and the corporate executive. He had watched the businessman give way time after time without a struggle. The industrial executive has no title, no uniform, no ceremonials to honor him as a hero. He slips into his office at the back of the building lest he be seen on the way in. He dodges the society editors lest he be photographed in some holiday resort and accused of wasteful idleness when he meets the negotiators at the bargaining table. Even his children have turned on him and call his life style a rat race which even when won leaves the old man a rat. When he retires, he loses all identity and becomes a forgotten man. While he is in the fray, he does not defend himself very well. Since his leadership is in the areas of finance, production, management, administration, and organization, he tends to be much less articulate than his critics. The president of a vast corporation, says Schumpeter, has none of the glamour of a military leader, but "He is be-

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coming just another office worker – and one who is not always difficult to replace."[1]

Daniel Bell explains the debased status of the business executive in terms of the end of an era. As the industrial age peters out the role of the businessman declines in social value. The university and the scientific community, with the help of the politicians, take over. "The husbanding of talent," he says, "and the spread of educational and intellectual institutions will become a prime concern of the society; not only the best talents but eventually the entire complex of prestige and status will be rooted in the intellectual and scientific communities."[2]

This point of view is proclaimed by the academic community as both sensible and long overdue, but the analysis may be somewhat touched by preference and hope. The industrial society is not yet over, and the talents of a business executive may be just as essential to the next stage of political economy as they are to this one.

The plight of the businessman may very well derive from outside attack and from his inside ineptitude at defense rather than from the inexorable forces of a deterministic world. The attackers are strong and resourceful, and they have put the exemplars of business on the defensive. Who are they?

"The Scribblin Set," as the Duke of Wellington called the literary intellectuals, have always been on the attack against business for the obvious reason of self-interest. Praise of business gets them nowhere, but blame of business brings praise and applause. Popular writers from Karl Marx to John Kenneth Galbraith have made socialism look good and capitalism look bad. Radical environmentlists in search of villains have lashed out at the business community with more anger than understanding. Consumer crusaders sometimes appear to be more intent on the destruction of business than they are on the protection of the people. College and university professors, starved for power, assume that businessmen actually have affluence, prestige, and power at their command. The academic mind assumes that a professorial brain trust could take over if businessmen were put down. The new breed of newscasters, enchanted by the left, are easy on the critics, but hard on business. Some bureaucrats hope to wrest power from the business community to enhance their own positions. Politicians know that

[1] Schumpeter, Joseph A., *Capitalism, Socialism, and Democracy*, (New York: Harper & Row, 1950) p. 133.

[2] Bell, Daniel, *The Coming of Post-Industrial Society*, (New York: Basic Books, Inc., 1973).

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businessmen have few votes, and that the critics of business have many. Even some labor leaders have forgotten the wise counsel of Samuel Gompers who said, "The company that does not make a profit is the enemy of the working man." All these and many others threaten business just at the time the businessman most needs understanding and help.

Failure of Nerve

The businessman can say with Pogo, "We have met the enemy and they are us!" None of the assailants has impaired the circumstance of the business community as much as has the businessman himself. He is like Conrad's young woman who might have been raped had she not so promptly complied. Quite apart from human error which drew headlines when big steel raised prices, and when big autos faced a consumer crusader, the corporate executive has protested too much, hired professionals to plead his cause, capitulated, and settled for a position of centrism trying to make a buck on the right and four bits on the left. Afraid of the hard right which might throw him into the headlines or into the hands of his adversaries in union and government, he appeases the soft left without realizing that his cowardice amounts to treason. His attempts at rational economic answers for his critics are ineffective against the political bias. His adversaries believe what they wish to believe, and the media supports them. The opinion polls measure the effect of the media more than they measure reasoned opinion, and they, thereby, serve the interest of the enemies of business.

The late T. V. Smith said: "No man is an S.O.B. to himself." He went on to say that when he was young, he thought some very obvious S.O.B.s would be grateful to him for his understanding when he applied the appropriate title. As he grew older, he realized that each man – quite apart from not being an S. O. B. – is actually a hero to himself. Yet the businessman has sufficiently flagellated himself, and suffered flagellation at the hands of his enemies, until he is no longer a hero – not even to himself. His self-blame may deny the philosopher's declaration. He cannot throw himself into the battle as would a military leader; he cannot compromise away his problem as do the politicians; he does not understand the sociological nature of the case against him, with the result that he either lashes out with overkill or gives his case clean away. He, being a sensitive human being, and nudged by his wife and children, is fired

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with the same do-good impulses that inspire all sorts of social service projects only to see them turn back against him.

Business leaders use up so much ammunition on each other that they run out before they feel the full attack of the enemy. The once strong united defense of business interests has vanished as the interests of business have diverged and have become conflicting if not contradictory. The small entrepreneur may feel more threat from the big corporation that sets his prices and wages than he does from the attackers. The hired executive of a vast corporation may find more difference with the factory owner who defends his own plant and interest than he does with the public sector bureaucrats who are themselves employees of a giant monopoly. The industrial community, however, has one large thing in common – the leaders know that socialism will do them in.

Strategy for Survival

Thomas Carlyle once said, "Be honest and there will be one less scoundrel in the world." Some changes are indicated for the American businessman, and these changes begin with himself. He must change his beliefs, his attitudes, his habits, and his opinions – not just his image. Even his manners need some reform. The self-assured aggressiveness by which a few break the queues at the airport, hotel, or restaurant, preempt a taxi by petit bribery, or disregard the rights and feelings of others by preoccupied self-importance, creates some antipathy toward the total community of mostly honorable and cultured business people. Rudeness and boorishness can be accepted more readily from those who carry less responsibility.

The beliefs and values of the businessman are important factors in the survival of the productive industrial community, upon which American economic well-being depends. Critics who have been seduced into a lotus-eating mentality assume affluence when scarcity is the much more likely prospect. Moderates who are concerned not only with the quality of life but also with the necessities of life see the businessman as friend and benefactor – which he is. The practitioners of industry, commerce, and finance are challenged to rethink, revise, and renew their faith. Greed is no longer an acceptable goal for business, even though it was extolled by Mandeville and practiced by many in times past. Fear of loss is a powerful business motive, a minimal profit is essential; but the goals of business are much more compli-

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cated than the stereotype of greed would indicate. Profit must continue to be a major motive if business is to perform its function. Without profit, the firm must die and everybody loses, but the stereotype of maximum profit as the sole objective is no longer appropriate – if, indeed, it ever was.

The businessman cares about society and hopes to be regarded as a benefactor and friend of man. He feels pride in the people who work with him and for him. He has ego identification with his firm and cares about its health and its survival. He cares about the environment and his fellow consumers as much as do his critics – probably more. But he has not been able to state his faith in convincing terms – largely because he has been busy with other things and has professed what his critics expect him to believe and cherish. He wants his firm to grow, but he has not been obsessed with economic growth as charged. He longs for a freedom from crises brought on by government interference, which he cannot anticipate. He has enough difficulty dealing with crises brought on by technical and social change.

Business as Servant

The business organization can be "socially responsible" without attempting to deal with "social problems" which are not part of its business. Peter F. Drucker said it well – organizations are socially responsible "when they satisfy society's needs through concentration on their own specific job."[3] The corporation has no business trying to manage the private affairs of a community, or, for that matter, the private affairs of its own employees.

Robert Greenleaf has suggested the self-image of "servant" for the businessman and also for the corporation. This venerable concept from the Judeo-Christian tradition could restore the dimension of dignity and honor which has been lost. The man of business affairs has talked a great deal about service without the correlative implication that he is himself a "servant." Any truly effective leader is a servant. A dictator may be able to force performance, but he does not truly lead even though he gains compliance from his subjects. The servant leader, however, internalizes the needs and interests of those for whom he works – his colleagues, his customers, his community, his country, and the whole family of man on this little planet. The servant leader finds meaning in his work and a sense of satisfaction in service to his fellow

[3] Drucker, Peter F., *The Age of Discontinuity*, (New York: Harper & Row, 1968) p. 206.

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man. He becomes a hero who believes in what he is doing – a new man sensitive to the changing times and willing to cherish and defend new values and old ones alike.

The Need to be Informed

Canny ignorance could once succeed in business, but the new businessman must know something. The executive who reads nothing outside his field except thrillers and *Playboy* or *The Wall Street Journal* is asking for the new socialism. The going literature of economics and politics would be much more realistic if its market included the business community. Sociologists writing for sociologists, economists for economists, political scientists for their own colleagues – even teachers for teachers – bring on a state of affairs wherein bias becomes accepted as truth since the so-called experts accept it. Such bias would soon be exposed if business leaders read the books and responded. An informed businessman can sense the threat to those he serves in time to act with understanding as well as with decisiveness and sound judgment.

Knowledge is now so vast that nobody can acquire it. An inquisitive mind, however, together with an enlightened philosophy of vocation can enable an intelligent businessman to accumulate enough information for the conduct of his affairs. A fine sense of honor and responsibility together with a genuine dedication to service can provide the beleaguered businessman with a defensible philosophical base from which he can exert his influence on the shape of the future.

The beleaguered businessman would do well to recognize that rational answers about the standard of living will convince none of his critics. The charges against business are frequently more political than economic. The new socialists are much more interested in a new social order than in any of their specific charges they bring against business. The environment, the minorities, the so-called "social costs" of business are all important to them as they are to the businessman; but if business were to do its utmost in all these areas, the new socialists would continue the attack, because their concern is for a new society wherein the business private sector has been subordinated, if not completely socialized.

Socialist Objectives

The business goals of a more abundant life through economic growth and a still better standard of living are consigned by the new socialists to the limbo of outmoded

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bourgeois values – the real goals for them are a new style of life based on equality, interpersonal relations, group concerns, art, love, and freedom from authority. The more hidden goal is for a shift in the balance of power in their favor. Their faith in getting a new kind of government to bring these things about may seem naive to the businessman, but it is a firm conviction on the part of the true believer. The businessman believes what he wishes to believe, and socialists – old time Marxists or new time charismatics – believe what they wish to believe. Politics deal in power and preference. Their arguments are more rationalized than rational.

The business community must close ranks and marshall its strength, or lose the values which capitalism and freedom have brought to America. Theory for survival has been written already by Friedrich Hayek, Milton Friedman, the late Ludwig Von Mises, and others. No successful refutation of their economic logic and observations has appeared – yet the public opinion tide runs toward the left. Business is not without numerous political supporters once the mutual interest becomes apparent. The blacks, the poor, the young of modest means, farmers, and laboring people who sense their deeper interests, are not about to eschew economic growth in favor of a reduced and more primitive life which has great appeal to the opulent and romantic young. The populist power in America is interested in economic gains – not in more art, more governmental control, and more government ownership. They turn to government in the hope of economic gains – not in political agreement.

The Doctrine of Liberty

The doctrine of liberty can thrill the hearts of the many when and if it is set forth with clarity and persuasion. The post-industrial doctrine of equality has much less appeal when once it is fully understood. The young may march in behalf of a utopian promise of equality of results, rather than equality of opportunity, but they soon reject the idea when their liberties are thereby threatened. They soon discover what thoughtful and realistic people have always known – that people are different in strength, mind, skill, and aspiration the same as they are different in athletic ability, age, and strength. The Platonic doctrine of justice – "each having and doing what is his own" – is a persistent and defensible idea.

Nobody can better expose the unworkability of bureaucratic and political power and control than

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can the businessman who has tried to operate under the arbitrary and uninformed efforts at regulation. The evils of big corporations look quite benign when measured against the inept, lethargic, unpredictable, and sometimes corrupt performance of government, whether in Russia, China, welfare democracies, Cuba, Chile, or our own bungling efforts at a managed economy. The ablest and best public servants complain more bitterly of their bureaucratic system than do the grousing and disenchanted employees of the commercial system.

The men who manage successful business enterprises and thereby serve by supplying needed goods and services benefit their fellow human beings in several additional ways. They plan the venture, assemble capital, provide employment, bring leadership to the communities in which they operate, support hospitals, universities, art galleries, music, social welfare agencies, and pay taxes – do they ever pay taxes! When I buy a car from General Motors, I pay a pretty steep tax on it; the materials that go into the car were taxed; General Motors pays a whopping tax; dividends from my stock in General Motors are taxed again; the money I use to buy the car has already been taxed; the dealers are taxed, and each employee of General Motors is taxed on what he is paid. A thoughtful and dedicated employee of General Motors is not only a servant leader, but also a public benefactor. Instead of going on the defensive when the corporation is charged with self-service, influencing the government, using the government for research and development, plus aggregate demand for its products, the corporate executive could very well feel quiet pride in his public service. To supply people with goods, services, and gainful employment is worth far more than to provide them with welfare payments.

Multinational Opportunities

Multinational corporations are adding a new dimension of glamour to vocations in business. These giant enterprises are somewhat comparable to the rising domestic corporations at the turn of the century. They are, to be sure, subject to the political instability of host countries, and they are subject to the military power of the host government, as well as to the embarrassment of revolutions, dictators, radical politicians, and misguided hostilities of some segments of the public. They can only lose in a political confrontation. They have, however, what the host country needs – capital, expertise, organization, and a host of tal-

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ented executives. This provides considerable leverage. The technostructure elite of the multinational corporation offers an exciting new opportunity for a career in business. Such an elite may serve as the best hope of peace and prosperity in the decades ahead.

Multinational oil companies exemplify the predicament of the beleaguered businessmen. They have been accused by consumers, politicians, bureaucrats, pundits, and professors of engaging in subversive activities such, for example, as profit-making at a time when capital is absolutely essential to new exploration, and when borrowed capital is almost prohibitive in cost. While much of the attack is politically motivated, much of it results from a lack of economic perception. The consumer resents high profits of the oil industries. He feels he has been robbed—when he is poor and they are rich. Oil company executives have been less than shrewd in meeting the crisis. They have misunderstood the political nature of the problem—even those who are astute enough to sense trouble. Irving Kristol has wisely suggested that businessmen must learn to think politically as well as economically if they are to survive in this hostile climate.

The Best Offense

The time has come for business leaders to defend themselves, their functions, and the political economy in which they can work. The so-called "post-industrial age" will not eliminate the talented manager and his merited rewards. Some bungling politicians and bureaucrats will continue to make socialism unattractive to thoughtful people. The future is not yet determined, and those who believe in the unalienable rights of "Life, Liberty, and Property" have equal opportunity to state their case. The beleaguered businessman can sustain the attacks, and emerge with more legitimate strengths and more honorable functions if he can become aware, think more clearly, develop a true and effective theory, enlarge his sense of responsibility, and be worthy of the hero role he now attempts to defend.

The late Adlai Stevenson quipped cleverly: "Eggheads of the world unite. You have nothing to lose but your yolks." Young business people on the campus have called themselves the Sons Of Business, and have used the acronym, S.O.B.s. I now call to their older counterparts:

Sons Of Business unite! You have nothing to lose but your acronym!

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LEONARD E. READ

REFLECTIONS on Gullibility

Quick sensitiveness is inseparable from a ready understanding.
— Addison

WE LIVE in an age when superstition flourishes and quackery abounds. This is a credulous generation eager to swallow any political nostrum – the more absurd the better. I fully concur with this opinion by Professor W. A. Paton:

> As an adjective to describe present-day attitudes, aims, and popular proposals for dealing with current economic problems, real or pseudo, the term "gullible" is a much more appropriate label for our society than "good" or "great."[1]

Very few, indeed, are those among us who have any awareness of the current gullibility – a blindness pervades the population. Short of a more general realization of this intellectual insensitivity, our society is doomed; it must fall into a shambles. Sensing this formidable situation, as does Professor Paton, is assuredly the first step in gaining any relief. However, two more steps would seem to be necessary: (1) discovering the cause of gullibility, and (2) finding its remedy, if there be one.

In my view, insensitiveness is the cause of gullibility. A recent experience: Ahead of me in the check-out line at the supermarket was a woman with many items in her basket. She paid with government food stamps, totally insensitive to the fact that I would be interested, as one who was financing her purchases. Utterly numb as to gratitude! And most taxpayers, in my place, would have been equally insensitive to their role in paying for that food.

I do not know what the total bill might have been for the food the woman had in her basket. Nor do I know precisely the value of the food stamps she receives each

[1] See "The Gullible Society," *The Freeman*, March 1974.

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year. But I did find, upon doing a bit of research, that the total U.S. food stamp program that cost $85.5 million in 1965 is projected to cost $7.2 billion in 1975. Was I gullible, were all of us gullible in allowing the small beginnings of a program that would expand by 8,400 per cent in ten years!

And how many Americans are expected to be riding that $7.2 billion gravy train in 1975? The number, I am informed, will be 16,000,000. So if the woman in the supermarket is typical, she will be carrying $450 worth of groceries past the check-out counter, for stamps, in 1975.

In double-checking my estimate of taxes to be paid in 1975 – and calculating the impact on me of a $7.2 billion expenditure – I find that, in effect, I will be paying for about half of that woman's food-stamp purchases. And I do not know her! Should I or should I not be giving some strange woman $225 worth of groceries a year? Do I know if her need is greater than that of any other customer? Or am I simply being gullible about food stamps and many other welfare programs, programs to which I am insensitive, since I do not know the real need for such handouts or know the effect of those handouts on either the recipients or the other taxpayers who will help foot the bill?

How account for this two-sided gullibility – exhibited equally by those who feed at the public trough and those who are forced to keep it filled? Doubtless there are unfathomable reasons – faults and shortcomings interacting on each other – too complex for clear-cut analysis. Were there a single cause, we might readily overcome this insensitiveness; alertness then would be a possibility. However, if a few likely causes can be identified, they may help us see our gullibility and bring some helpful responses from me, you, and some others; any switch would have to be an individual attainment.

The Roman, Horace, some twenty centuries ago, offered one reason which can hardly be questioned: "Adversity has the effect of eliciting talents which in prosperous circumstances would have lain dormant."

Prosperous circumstances! Never in the world's history have any people remotely approached the prosperity we Americans have experienced, and we are generally flabby in consequence. *Gullibility is nothing more nor less than talents lying dormant.* This appears to be an accurate diagnosis of our condition.

Free market, private ownership, limited government practices have been more nearly approximated in

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the U.S.A. than elsewhere. As a consequence, there has been the greatest release of creative energy ever known: goods and services have flowed in unprecedented abundance to the masses as if manna from Heaven.

Merely reflect upon the material things – tens of thousands – which are available in exchange for doing relatively little, if anything.[2] Note the countless persons who enjoy a fantastic affluence and do nothing at all. When people get it into their heads that their prosperity is a natural phenomenon, as a sunrise, for instance, requiring no talents on their part, talents fail to evolve; in a word, they lie dormant. These people see nothing simply because they are unaware that there is anything to see.

No Faith in Charity

Another likely cause: an astonishing loss of faith in Judeo-Christian charity. Indeed, few in today's world are aware of what it is, let alone the wonders wrought by its practice. That woman at the check-out line had no more gratitude for her something-for-nothing food than the average taxpayer has gratitude for the privilege of filling the trough. Grover Cleveland, in vetoing a handout to drought-stricken Texans, wrote:

> The friendliness and charity of our countrymen can always be relied upon to relieve their fellow-citizens in misfortune. . . . Federal aid in such cases encourages the expectation of paternal care on the part of the Government and weakens the sturdiness of our national character, *while it prevents the indulgence among our people of that kindly sentiment and conduct which strengthens the bonds of a common brotherhood.*

The Congressmen who approved that appropriation doubtless did so with the best intentions. They, as distinguished from President Cleveland, were insensitive to charity as a character-building means to deal with misfortune; they could think only of government handouts. This calls to mind a verse packed full of wisdom:

> Oh, were evil always ugly;
> What a boon to virtue that would be!
> But oft it wears a pretty face,
> And lets us cheat unknowingly.

It is an observed fact that whenever government pre-empts any activity, that is, when coercion takes over, voluntary ways are not only forgotten but faith in their efficacy ceases. How many, for instance, believe that mail could be delivered ever so much more efficiently if left to the free market? Only a person now and then! Sim-

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2 See "Confessions of a Rich Man" in my *Let Freedom Reign* (Irvington-on-Hudson, N.Y.: The Foundation for Economic Education, Inc., 1969) pp. 50-56.

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ilarly with charity. When government moves in, charitable practices tend to wither away. Your neighbor is hungry. Today? That's the government's problem, we say. Suppose the government had not intervened. What would you or I do? We would share our loaf of bread! Were government handouts looked upon as ugly, charity would thrive. But because they are well-intentioned and thus have a pretty face, we cheat each other unknowingly, insensitively. Result: gullibility!

What possibly can be the cure for this gullibility? What can restore alertness? Assuredly, the answer lies half-hidden or it would be generally known and observed; few would label themselves, or like to be labeled, gullible. An obvious answer to gullibility is thinking for self rather than imitating platitudes, plausibilities, popular cliches. But that is too obvious. The real question is, what can inspire or encourage one to do his own thinking? What is the overlooked formula?

Here's mine: *Count your blessings!* Until now I have looked upon this as the remedy for perhaps the greatest of all evils: covetousness or envy. I am now convinced that it is also the cure for gullibility.

For this practice to have any meaning, to affect one's intellectual demeanor, it would have to be a daily exercise – in a word, habitual and systematic exploration. At first blush, at least to those who have not reflected on their blessings, this is no more of a challenge than a daily repetition of the alphabet, so few blessings are most people aware of.

What I am suggesting is the discovery of one or more heretofore unknown blessings every day of one's life. There aren't that many? Their number is infinite, a world without end! They include every bit of wisdom since the human race began; they range from soaps to soups to tissues to dishwashers, from raindrops to bathtubs, from pets to friends past and present, from atoms to red blood cells to galaxies, from electricity to sunbeams, from blades of grass to the shade of trees, from hot and cold running water to still lakes and wavy seas, from paintings to all the beauties of earth and the heavens. They include all the freedom each of us possesses to be his creative self.

The daily exploration of one's blessings opens the mind to Infinite Consciousness. This is the process of thinking for self; it is the downing of gullibility. For today, I count among my blessings the ability to share these thoughts with you, whoever you are.

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Political Freedom Is Not Enough

MILLER UPTON

FREEDOM seems to be one of those words, along with *love* and *democracy,* which everyone makes use of to his own convenience. Its very sight and sound stimulate an immediate emotional response with substantial positive overtones. It is therefore a favorite part of the vocabulary of every inspired leader and demagogue alike, be he a Lincoln or a Stalin, a Gandhi or a Hitler.

We in our country make special use of the concept when we speak proudly of being part of the "free world." We obviously feel good when we do so, but I wonder if we are being fully objective and honest with ourselves when we continue to caress our egos this way. If we don't start to challenge the assertion, to reflect exactly upon what the term "free world" encompasses and what it is we're free from, we may very well end up living a lie.

Certainly the term cannot stand for national freedom in the sense of national independence – that is freedom from domination by another sovereign power. All sovereign states—Russia, China, England, France, Cuba, Portugal, and so on—are "free" in this sense. So

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Dr. Upton is president of Beloit College in Wisconsin. This article is from an address of May 7, 1974, delivered in the C. A. Moorman Memorial Lectures at Culver-Stockton College, Canton, Missouri.

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we must have in mind something else.

If I were to pose the question to this audience as to what is meant when we use the term "free world," I am confident I would get two dominant responses. One group would assert that it has reference to those countries which believe in individual freedom; the other group would offer the response that the term applies to those countries which are governed under some form of democracy. Both responses have a common psychological effect, a favorable emotional reaction grounded on implied protection of the individual against exploitation. But I must submit that both answers are subject to serious challenge at the present time on the basis of objective reality.

All-Powerful Governments

It is manifestly clear that all countries in the world, including the so-called Western democracies, are trending towards a form of social organization in which the agency of government dominates individual behavior and action — where private property and private choice are less and less tenable; where the only difference between the world's societies is not in the amount of individual freedom allowed but only in the manner in which the all-powerful government is chosen. Individual initiative and decentralized authority in all cultures has become suspect; collective action through the agency of government has become trusted. And as a consequence it is increasingly difficult to establish clear lines of demarcation between the "free world" and the rest of the world so far as government domination of the individual is concerned. Specific differences can be cited at this instant of time, but the statement seems impossible to challenge if historical trends are taken into account.

We therefore seem to be dependent entirely upon the proposition that the "free world" countries are those which rely upon some form of democracy to determine who shall be entrusted with the all-powerful authority of government. There is the suggestion implicit in this notion that "freedom" and "democracy" are somehow synonymous, that political freedom is all we need to enjoy the benefits of a free society. I submit that this is the unchallenged assumption that is leading our country Pied Piper fashion into the morass of collectivism and its concomitant of centralized authoritarianism.

We should have been alerted to this booby-trap type of thinking by Lenin's assertion that Capitalism represents democracy of the

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exploiting minority whereas Socialism represents democracy of the exploited majority. Individual creativity and initiative, decentralization of authority and private property need to be sacrificed for what is presumed to be the common good. But that we have not learned from experience is evidenced by the fact that Lenin's philosophical descendants now speak in terms of developing democratic socialism, hoping to suggest thereby that individual freedom can be preserved in a collectivized state.

No One Ought to Rule

The notion is implicit: if we have the freedom to vote for those who will govern us then our freedom is preserved. But such a notion is completely at variance with the concept of liberty. As Professor Douglas says in his recent article in *The Freeman* magazine, "Democracy is a theory about sovereignty, that is a theory about who ought to rule . . . The first principle of liberty, on the other hand, is that there is no one who, of right, ought to rule. The theory of liberty is not a theory of sovereignty at all."[1] Rather, I would add, it is a theory of social vitality and health. A theory which maintains that the whole of society is equal to the sum of its parts, that society prospers in all regards when individual freedom with its corollaries of individual creativity and initiative reign, that that government *is* best which governs least.

We have tended to lose sight of the compelling truth of this theory because we tend to confuse government with society. We operate under the false assumption that if it's good for the government it's good for society. We fail to deal consistently with the fact that government is a special creature of man and as such is only one agency of society established to deal with only some needs of society. The agency of government can become too dominant for the social good just as any other agency can become too dominant. The health of human society is directly dependent upon the health and vitality of its individual members. It is like any organism of the human body which is dependent for its welfare upon the health and vitality of its individual cells. If governmental authority grows malignantly, then individual freedom and social vitality are doomed.

Another reason we have lost sight of the truth of liberty is because we have too often confused freedom with security. President Roosevelt contributed to this con-

[1] George H. Douglas, "Mr. Mencken on Liberty," in *The Freeman*, December, 1973.

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fusion when he promulgated his four freedoms – freedom from want, freedom from fear, etc. – in defense of his policy to centralize more authority in the federal government. This has become the same defense for all others who would substitute some brand of socialism for individualism, arguing that one cannot be free if he is wracked by poverty or uncertainty as to the future. We therefore subordinate the liberty of all in the hope of improving the security of some.

Liberty or Collective Security?

But since liberty is defined as "freedom from arbitrary and despotic governmental authority" and security is defined as "freedom from danger, risk, etc."[2] it is clear that we are faced with a choice: liberty or collective security, one simply cannot have both. The true joy of liberty is the challenge to provide one's own security. If one gets no joy in this challenge, then of course he's perfectly willing to sacrifice his freedom and that of his neighbor for a promise of security. And if a society puts more importance on collective security than individual freedom, then that is its choice to make. But in doing so it must cease any pretensions to being part of the "free world" even though other countries may be no more free than it.

The fact of the matter is that there is no longer a "free world" in the Patrick Henry or Thomas Jefferson sense. And this is regrettable, not in any sentimental sense of clinging to the past but in the rigorous philosophical sense of doing what is best for human society.

This capacity for people to lose sight of their philosophical foundation brings to mind a true experience I had last year. I checked into a hotel in Cleveland for a one-night stay, having made a reservation in advance. I filled out the registration card, and as the young lady behind the counter was transcribing the information onto the room slip, she asked, "How do you plan to pay this?"

I immediately responded, "With cash."

"Oh," she said, and then after a short pause of apparent embarrassment she responded, "Then do you have some form of credit card for personal identification?"

After I got myself under control from laughing I said to her: "I was aware that the U.S. dollar had declined in value but I didn't realize it was *that* bad."

"Oh," she said, still not cracking a smile, "I hadn't thought of it that way."

[2] *The Random House Dictionary of the English Language*, unabridged edition.

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"I hadn't thought of it that way." There is the rub! While man is a unique creative being, he is also a creature of habit. And most of our behavior is controlled by conditioned reflex rather than reasoned judgment. Accordingly, our country is currently drifting as a society in a direction that is contrary to its creation and its basic mission.

Rigidities Develop as Government Grows Over-Extended

The genius of the United States that brought it so far in so short a period of time is its having broken with the established reliance on centralized government authority in favor of the principle of decentralized authority, thereby releasing the creativity and initiative of the ordinary individual citizen. This fact has been demonstrated in so many areas of social life—economic, educational and artistic—that even the opponents of liberty do not dispute it. Now, however, we see this genius being threatened by the gradual erosion of the basic principle. To date, a major segment of the populace seems unconcerned either because "they haven't thought of it that way," they don't want to bear the burdens of liberty, or they are content with their political freedom and blithely go on in the same blind fashion, apparently assuming that civil liberty is synonymous with political freedom.

Our institutions of government, justice, taxation, business and education are all beginning to suffer from a form of institutional hardening of the arteries born of excessive centralization of authority. Although our political freedom has provided us with a degree of governmental resiliency that has been able to avoid violent eruption and revolution to date, it has become increasingly evident that political freedom, while central to all other social freedoms, is still not enough in itself. To provide the continuous opportunity for social self-renewal so desperately needed, individual freedom must be respected and practiced more fully in all walks of life. When we speak of a free society we must encompass much more than political democracy if we are to preserve the genius of the United States.

The accelerated shift in attitude that took place in the 1930s toward using government in an intervening way rather than a facilitating way has brought us over the last 40 years to the point where we now seem to believe that the only way to solve any social problem is to pass a law. We experience daily the ridiculous spectre of our legislators competing with one another in trying to get legislative credits

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by having their names associated with bills. As a consequence, we are building a gargantuan government bureaucracy, with a morass of law unfathomable in many cases by the legislators themselves. Forty per cent of our gross national income is now attributable to government of one sort or another.

A False Hope

We continue blithely along this course, confident in our political freedom. But we fail to recognize that political freedom is not enough. A monolithic government produced over time by democratic process can become just as overbearing, cumbersome, repressive, and inefficient as such a government imposed by any other means. After all, a democracy at best can only determine who shall govern and not how to govern, and it provides little solace to know that one has the chance to vote for the people who are going to be in control of the government juggernaut that controls every facet of one's life.

Government action can never effectively take the place of individual initiative and individual action for the solution of social problems. To propose such is tantamount to arguing that the vehicle should propel the motor. Therefore, laws in a free, self-renewing society must be proscriptive, not prescriptive. They must simply provide the broad limits within which the fullest amount of individual creativity and action is encouraged. The challenge to any society that is to remain resilient and vibrant and therefore continually self-renewing is to achieve freedom within order, individuality within community, and equality within diversity. Centralized governmental authority can never achieve this kind of blending, for by definition there is no freedom. All is sacrificed for order; the individual citizen as a whole is not trusted. In a society based on decentralized authority and freedom there is a constant threat of anarchy and the absence of desirable order, but it is not absolutely denied. That is to say, order is possible under decentralized authority, but freedom is not possible under centralized authority.

Abuse of Power

It is ironic that the political party that has been proclaiming over the last 40 years the grave threat to the United States of excessive centralization of authority is now the party that is being embarrassed through the overzealous use of that power by some of its leaders. It may just be this irony, however, that saves us, for the people at large are being forced to see the ultimate danger

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to our way of life of such concentration of power in a way that would never been seen if the irony were not there. They are at long last being forced to stop and admit: "I never thought of it that way!"

The press and the Congress are relentlessly belaboring the President in this regard, but in the final analysis it is the Congress that has been at fault and not the President. Even more accurately, it is we the people who have tolerated and even encouraged the actions of Congress over the years who are ultimately at fault. In our weakness we have willingly sacrificed our individual liberty for a fleeting promise of security. Patrick Henry would have to be aghast!

Congress is being criticized for its apparent impotence in the face of a strong President. But the fault lies not in its current impotence but in its previous irresponsibility in breaking with the genius of the United States by having opted for a highly centralized government structure instead of being faithful to a decentralized social structure. It has passed law after law after law for the Executive branch to administer, laws that are aimed at controlling every facet of our lives, laws that are paternalistic in nature, laws that circumscribe individual initiative and individual creativity rather than assure equal justice and equal opportunity, laws that prescribe individual action, laws that nullify private property.

After all, our constitution provided for a strong executive office in the presidency. The greater the federal bureaucracy and the greater the centralization of authority in Washington, the greater will be the power of the individual President. The way to avoid a Frankenstein calamity is to avoid creating the monster to begin with.

Security Is a Mirage

The sad reality of it all is that the glittering promise of security through central governmental authority turns out to be a mirage. We experience full employment only when we wage war. And aside from dislocating and brutalizing our individual lives, the wars maim our economy by stimulating inflation and disrupting our monetary system. Our productivity declines in relation to other nations. Poverty perseveres; but now it's looked upon as a political issue, which it isn't, rather than an economic issue, which it is. Its prospect for solution therefore declines. In fact, all economic issues become politicized and therefore not dealt with properly. An intense adversary relationship develops

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between owner, employee and consumer, which is just contrary to what should exist.

The fact of the matter is that what is good for an individual business is good for owner, employee and consumer alike and therefore society at large. We see this truism violated in legislative action regularly, currently by the absurd determination of some legislators to penalize the oil companies for presumably profiting unduly during the recent oil crisis. Who do they figure own the companies, work for the companies and buy from the companies if not citizens whom they supposedly represent? Who else but the citizens of the United States will be forced to suffer if Congress penalizes the operating efficiency of these companies? Is not such legislative action, such arbitrary use of governmental authority, a case of our collectively cutting off our nose to spite our face?

A Miracle of Progress

When one considers the miracle that has been wrought in this country over the last 200 years – the conversion of a wilderness into what is generally recognized, for the time being at any rate, as the wealthiest and most powerful nation in the world – one wonders how anyone can be critical of the economic system which brought it about. The land is no wealthier than many other lands in the world; the people are no different from those in other sections of the world; the climate is not superior to many other sections of the world – the only distinguishing characteristic is the extent to which we have relied upon decentralized authority in the making of economic decisions and thereby capitalized more fully on the initiative and creativity of the individual person.

There is no question that there have been instances of specific suffering from excesses. Individual freedom in all areas – political, press, academic and economic – will always be abused by some. But it simply cannot be denied that this economic system eliminated more poverty, created more leisure time, offered more cultural enjoyments and created more educational opportunity in a shorter period of time than any other economic system or government program any place and at any time in the history of the world. So why now ridicule it, shackle it and substitute bureaucratic governmental programs for it? If we want to work on problems of the environment, world-wide poverty, cultural and educational deprivation, etc., we had best leave our economy free.

Of course a free economy pro-

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duces its own elite just as any and every social system, but it is far safer to have these elite determined through the anonymous polls of the market place in serving the wants of the public than by political appeal or demagoguery. We should penalize severely those who abuse the system and thereby violate the trust implicit in any decentralization of authority. But we should not throw out the baby with the bath. It is well worth reflecting upon how much more advanced our economy and society would have been had there not been the heavy intrusion of the federal government into the operations of our individual businesses over the last 40 years.

There simply can be no doubt that the more individual initiative and creativity is circumscribed by governmental restraints and usurpation, the less productive the society becomes. A paternalistic government inevitably becomes an oppressive and suffocating government. While I readily use the seat belts in my automobile for my own protection, I don't want the government telling me I have to. It's a very short step from Washington telling me what I have to do in order to protect my own body to telling me what I can or cannot do in order to protect my mind.

For some inexplicable reason we have come to distrust individual initiative and freedom of action and assume that by substituting governmental action for individual action we will have greater wisdom and greater integrity, forgetting somehow that it's the same fallible individuals who exercise power in the government halls as in the market place. If individuals can't be trusted as servants, how can they be trusted as masters? If evil is to prevail it is far better to have it decentralized. Is not this the prime lesson of Watergate?

Centralized Societies Fall

History readily records that all societies founded on a highly centralized authority structure ultimately die from a hardening of their societal arteries – a loss of resiliency, an inability to renew themselves. Our country was to be the great global experiment to prove that a society based upon trust in the individual and decentralization of authority would develop best and last longer. If we can't be faithful to the principle in our own country, it is not likely to be respected elsewhere. And if it does not prevail ultimately, human society at large will most certainly be doomed for want of a creative, self-renewing character. As Jean Ravel so well develops in his book, *Without Marx or Jesus,* the United States is the only country remaining that still has

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the requisite freedom in its social functioning to offer the prospect for liberating change. If this quality be lost by our going the way of all other countries, then what profits us, and what profits man?

Shortly we shall celebrate the Bicentennial of the signing of the Declaration of Independence. This was a notable event in itself, but we have more to celebrate and venerate than this. Subsequent to it there was a war to be fought and won; true independence as a sovereign state to be achieved; political compromise and agreement to be worked out; a constitution to be written and agreed to; a government to be formed; a President to be elected and installed; and the whole governmental structure to be put into successful operation. It was not until 1787 that the Constitution was signed, and 1789 that the government of the United States was launched under that Constitution with the great promise of the Declaration of Independence hopefully realized.

Relive the Earlier Concepts

Let us not, therefore, content ourselves with a crash celebration of the Bicentennial of the beginning — July 4, 1976. Such a celebration we should have, but we have more to think about than that. We have the opportunity during the 13-year period 1976-1989 to reawaken the nation to the nature of its origin and the genius of its concept. All segments of our contemporary society should be involved in recovering the mission and pride of our existence — not for the sake of pride alone but to reassure our contribution to the social evolution of man by fidelity to the principle of decentralization of authority.

This is not something the government whose birthday we will be recognizing can do or should do. Remember that government is only one agency of society! It was the creativity and initiative of private individuals that inspired and wrote the Declaration of Independence. It was the creativity and initiative of private individuals that hammered out the Constitution of the United States. It was the creativity and initiative of private individuals that fashioned this governmental structure that has become the prototype for so many revolutionary governments throughout the world in the evolutionary process toward individual freedom and decentralized authority. It was the creativity and initiative of private individuals that converted a wilderness into a modern state almost overnight. It was the creativity and initiative of private individuals that in no more than an instant of

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history created the wealthiest and most powerful nation the world has ever known. And it is the creativity and initiative of private individuals which alone will solve the immense problems of the future and enable man to proceed apace in keeping with his social evolutionary design.

A Non-Governmental Celebration

Let us, therefore, pay our respects to the Bicentennial of the founding of our government in the only way consistent with its origin and its essence. Let us take the initiative as private individuals and institutions in diverse ways to recall our heritage, honor our uniqueness, and plan for our future. In doing so, let us not be satisfied with a crash celebration as of a single date. Let us make use of the full bicentennial era of 1976 to 1989.

Let us grasp this unique opportunity to reawaken the citizens of this nation to its special genius and destiny in serving the evolutionary destiny of man. Not in any narrow, nationalistic, flag-waving sense which at times is willing to destroy the true genius of America in a misguided effort to promote its physical embodiment. Rather, let us strive to sensitize everyone to be aware of the fact that our forefathers attempted to create a society in which freedom could exist within order, individuality could exist within community, and equality could exist within diversity – that is, in which individual liberty is prized over collective security.

This is the great challenge to us; this is the well-known American dream. To achieve it we must have faith in the individual citizen while fostering a thoroughgoing judicial process to penalize those who violate the trust. To achieve it we must assure equal justice under the law and equal opportunity for self-development. To achieve it we must renounce governmental bureaucratic authoritarianism of any and every sort. To achieve it we must respect private property and rely upon the creativity and initiative of the free individual. And most of all, to achieve it we must give up the naive notion that adherence to a democratic form of government is the sole requisite to realization of these other freedoms. Individual liberty can be violated by a government democratically chosen just as readily as one autocratically imposed. A tyranny of the masses is no less tyrannical because it represents majority will. The record of the past and the conditions of the present demonstrate conclusively that political freedom alone is not enough. We need liberty as well as democracy!

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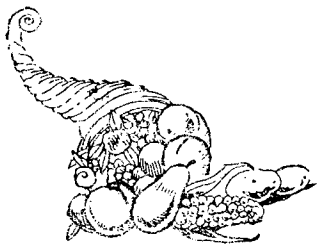

Freedom's Bounty

CARL A. KEYSER

A VARIETY OF REASONS have been given to explain the good life we Americans enjoy. One claims that it came about when steam power liberated factories from river valley sites and streams that were the source of energy. Another said it resulted when interchangeable parts led to mass production and the ultimate in division of labor. Still another credits improved metals technology, particularly the means to produce steel in large batches, steel from which rails and bridges and engines were made to bind East and West and open the granaries of the heartland. It has often been said that our bounty is simply the result of a fortuitous marriage of resources to a congenial climate, this in spite of the fact that natives exposed to the same graces of nature for centuries barely managed to exist.

Of course, weight must be given to these explanations, and to others not mentioned, for our good fortune. They are, it is true, pieces of a puzzle which, fitted together, give us a picture that is incomplete. The missing piece can be found hiding in the 19th century history of Russia and the United States.

In the early eighteen hundreds the United States and Russia were both agricultural countries, the one young and sparsely settled with people who sought to escape European autocracy and the other

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slightly, but only slightly, more densely populated, an old country with a tradition of centralized power and despotism. Both countries were almost incalculably rich in resources and were blessed with temperate climates. Both countries were open to the influence of newly developed steam power, both were exposed to the effects of the industrial revolution, and both had access to the development of technology and advances in scientific knowledge.

Serfs and Slaves

At the midpoint of the century America was, excepting for its slaves, a free country. There were 3,000,000 slaves out of a total population of 32,000,000 when Lincoln issued the emancipation proclamation in 1863. At nearly the same time, in 1861, Czar Alexander freed 15,000,000 serfs out of an estimated total population of 75,000,000.

There were, to be sure, distinctions between serf and slave: slaves were considered personal property whereas serfs were required to perform services for a master who did not own the serf and whose power over the serf was limited. Serfs could escape their bondage if they could pay off their indebtedness to their masters, but since this was almost impossible serfs could be considered for all practical purposes to be the equivalent of slaves. The proportion, then, of nonfree men to free men in the population was about 10 per cent in the United States and about 20 per cent in Russia at the time of emancipation. Until freedom was granted there were proportionately twice as many people in bondage in Russia as in the United States.

Slaves produce only what the threat of punishment forces them to produce since little or no additional rewards accrue for producing more. Free men, who stand to profit from their own ingenuity and effort, will attempt to produce more and more, to their own and the benefit of others, as long as their rewards increase. This will lead them to apply newly discovered knowledge, make new machines to increase production, accumulate capital, trade, barter, and sell. It seems likely, then, that the higher proportion of slaves in Russia helps to explain the growing gap in the well-being of Americans and Russians as the 19th century progressed. But this is also an incomplete explanation. What about the free men, that is, those who were neither bonded in Russia nor enslaved in America? What was their status and influence on development?

Probably the landowners came closest to being free men in

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19th century Russia. Until 1803 they lacked even the freedom to free their own serfs, not that there was a strong inclination to do so. In 1803 Czar Alexander I granted noblemen permission to liberate their serfs, but only 47,000 were freed. In 1810 all legislative initiative rested with a Council of State presided over by the Czar. Elected assemblies in the cantons, districts, provinces, and states existed which could pass motions but not laws. Courts operated in secrecy and were susceptible to bribery. Rule of the land was by an officious bureaucracy whose arbitrary decisions stifled life. Higher education was permitted only for children of noblemen and officials. Censorship of the press and speech was very strict.

Local Government Reforms

Under Nicholas I, the same autocratic, arbitrary rule continued. Alexander II, the son of Nicholas I, was an absolute monarch who, responding to revolutionary threats, freed the serfs without payment to the landlords. In addition, serfs were granted allotments of land for which they paid a fixed rent to their landlords, with an option to buy, financed by government bonds. After the freeing of the serfs, local government was reformed by establishment of new provincial councils. Forty-eight per cent of the seats were assigned to landowners, forty per cent to peasants, and the balance to town residents. Not until 1864 was trial by jury and an independent judiciary established. The reign of Alexander II was an era of reform and progress in spite of the fact that the country remained an absolute monarchy, essentially without freedom of press, speech, and even thought, and with no guarantee of person and property from the whim of the autocrat.

By 1889, under Alexander III who had come to power in 1881, much of the progress made under Alexander II was erased. The provincial councils were placed under civil service and became subservient to the provincial governors. The representation of landowners was raised from 48 to 57 per cent in the councils while peasant seats dropped from 40 to 30 per cent. The press was ruthlessly controlled and silenced and taxes increased by 29 per cent in the ten years from 1883 to 1892.

Two Kinds of Growth

Expansion of Russia eastward into Siberia was by Cossacks whose interests were military rather than productive, by political and criminal prisoners exiled to virgin land as laborers, by religious dissenters, and by fugitives escaping conscription in the

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Czar's armies. Between 1823 and 1898, 700,000 exiles and 216,000 voluntary emigrants settled in Siberia, a region which had enormous wealth in timber, furs, and minerals. On the other hand, expansion of the United States westward was by natives seeking the opportunities of undeveloped land and by immigrants who chose freely and voluntarily to come to the new country to escape the stratified and stagnant society of the old.

From the beginning of the 19th century to the beginning of the 20th century Russian progress was minimal while the United States became the best-fed, best-clothed, and best-housed nation in the world. Today a wider than ever Russo-American gap remains, both in material well-being and personal freedom. This is no chancy coincidence. As long as the American free market exists where ideas, goods and services can be exchanged voluntarily, freely, and honestly, and where the primary function of government is to guarantee such a market place, the gap is not likely to disappear.

A friend of freedom recently summed up the situation this way:

It is well to remember, however, that serfdom is not necessarily the perpetual condition of the people of Russia. Nor can Americans comfortably assume that their government will limit its activities to the policing of the market and the preservation of freedom. A government that manipulates money and credit, that regulates and controls wages and prices and rents and profits, that owns or closely supervises numerous business activities, and that offers welfare programs from cradle to grave, is a government that threatens to tax the citizenry into serfdom.

Why Man Must Be Free

IDEAS ON LIBERTY

IF MAN is to continue his self-improvement, he must be free to exercise the powers of choice with which he has been endowed. When discrimination is not allowed according to one's wisdom and conscience, both discrimination and conscience will atrophy in the same manner as an unused muscle. Since man was given these faculties, it necessarily follows that he should use them and be personally responsible for the consequences of his choices. He must be free to either enjoy or endure the consequences of each decision, because the lesson it teaches is the sole purpose of experience — the best of all teachers.

F. A. HARPER
Liberty: A Path to Its Recovery

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The ENIGMA

RALPH BRADFORD

OUR COUNTRY is experiencing a self-imposed malaise of massive proportions and suicidal import – a condition that is at once insidious and hard to define or explain. To state it simply and starkly, *the Americans are doing their utmost to destroy America!*

Intentionally? Deliberately? Of course not – except in the case of a relatively few dedicated revolutionaries. For the most part, the destroyers are people of good intention, who would be horrified at the assertion of their guilt.

"Who – *me?* Why I *love* my country! I'm only trying to save it from . . . ." And then will follow the name or purpose of the organizations, interests or persons who have a different social, economic or political philosophy from that of the outraged speaker.

Unhesitatingly, he attributes evil purpose to all who dissent from his viewpoint; and millions of other zealots like him are equally busy castigating the opponents of *their* particular philosophies or prejudices. As a result, the composite picture of America that emerges to the world is that of a dishonest, hypocritical, wicked, and no-longer-to-be-respected giant. And the picture is being painted, not by the Russians, Serbs, Chinese or Albanians – but by the Americans!

Nobody would contend, I suppose, that this country has ever been free, or should be, from a certain amount of critical introspection. This is part of the process of self-government. The competition of political parties assures a lively and continuing assessment of our customs, practices, laws, principles and institutions – an accepted procedure, understood by

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the people, and largely beneficial.

But the current chorus of defamation goes far beyond such helpful self-analysis, and often seems to be without identifiable reason or excuse. To be sure, our assets and resources have been impaired and depleted, in part by heedless exploitation, in part by statist brakes on development, in part by the ruinous fiscal policies of recent decades. As a result we have been assailed by the twin evils of doubt and inflation. Inflation, of course, is but the visible symptom of a general self-deception about the effect of unlimited Federal debt on the cost of living. The evil of doubt also results, in part at least, from inflation. When people see the value of their savings steadily shrinking they are troubled by doubts as to their personal future. In time the doubt becomes fear. The doubt and fear feed each other. People begin to question their ability to cope with life's problems. And perhaps most devastating of all, they begin to be troubled about a thing that has always been an article of faith with them – namely, the rightness and justice and strength of their government.

But today's incessant and strident diatribe goes beyond customary discontents. Never within the memory of this writer has there been such a persistent and wholesale denigration of the United States of America as we are now enduring.

Whence the Defamation?

Whence came all this vituperation of America by the Americans? Allowing for the human propensity to be "agin the government," and discounting the bombast and exaggeration of partisan politics, what is the reason, after nearly 200 years of spectacularly successful national existence, for the constant defamation of our country by its own people?

One basic cause is to be found in the gradual conversion of our government from the simple form and purpose conceived for it by the Founders into the gigantic social welfare organization that now sprawls over the District of Columbia and dominates the national scene. In the minds of millions, the government is no longer the organized power of the people to govern themselves. In their view it has ceased being the simple but majestic instrument that was to uphold justice, protect citizens from aggression, insure their personal and political freedom – and then . . . . let them alone. All that is now taken for granted, to be sure (except the part about leaving them alone), but it has become of secondary importance. In addition to its traditional functions,

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the government is now an aggregation of agencies whose job is to provide certain "benefits" – i.e., financial assistance – to . . . . practically everybody! This means that its area of potential culpability has been enormously extended. There are now hundreds of things for which people can blame the government, either for its failure to do enough, or for having done too much, depending on the point of view.

Moreover, the government has been assigned the job of guarding the interests of farmers, students, laborers, artists, writers, old people, young people, racial minorities, housewives, inner city dwellers, suburbanites, ruralites – and especially "consumers" (which again means everybody). And this guardianship is not to be achieved as an ordinary matter of law enforcement, but through militant administrative activism. All this has meant a great proliferation of the bureaucracy, with attendant operating expense, plus enormous outlays to finance the innumerable programs that are generated. And it has meant hundreds of new targets and occasions for the exchange of abusive rhetoric.

Harmful or Helpful?

A great weakness in all this has been the failure to distinguish between those features of the societal structure that are harmful and those that are helpful to the growth of the individual – for that, if I understand the real import of our history, is what this country is all about. The freedom and fulfillment of the individual – this was the idealistic dream and the practical aim of those who organized the American State.

But the intrusion of government into all walks of life – our tax-supported and politically oriented and regulated schools; a subsidized and sharply controlled agriculture; vast housing programs, some of whose monstrously useless buildings are already being demolished; welfare programs that have little real concern either for the cost to the public or for the effect upon the recipient; all these and many other well-meant but disastrous and costly programs have not truly aided but served to defeat the great idea of an achieved social harmony through the exercise of freedom.

Thus the floundering and sometimes the blundering of a nation that is still striving to find itself, not on the world stage only, but especially in the important matter of what is the proper relationship between government and the governed – whether or not the posture of the State as a generous uncle can best serve the true interests of the citizen. Growing numbers

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of thoughtful people are convinced that full freedom and not paternalism is the best insurance of individual growth and development. Certainly the practice of governmentalism, with its concomitant plethora of regulatory bureaus and departments, will continue to provide fuel for the fires of controversy and bitterness.

Unpopular War

It has been the fashion in recent years to blame all our American doubts and dissatisfactions on war, especially the Korean "Police Operation" and the subsequent Viet Nam exercise in frustration. Those wars did indeed make their disastrous contribution to our national discontent. But they were only a current phase of the perennial unpopularity of America among the Americans. The shrill chorus of defamation was on stage long before the Geneva Accord; and it will still be heard when the Mekong Delta and the Central Highlands are but a fading memory. As Southeast Asia was phasing out, the Watergate scandal was phasing in as a center of dissatisfaction; and when its course is run new occasions of critical discontent will arise or be manufactured.

First and always, there will be the voices of violence and revolution. These fall into two main divisions: the sincere, if deluded disciples of Karl Marx and supporters of every regime that even pretends to follow the Marx-Lenin-Mao line; and second, the hard-eyed, communist-trained agents who care little for Marxism as a political theory, but are determined upon the destruction of any government that is not communist in form and purpose. These are the activists, trained in the techniques of revolution, one of which is to infiltrate and use any movement that has a cause for grievance, real or fancied.

But of even greater destructive impact, though not so intended, will be the continuing clamor of our many special-interest groups. I am not referring now to such "special interests" as agriculture, or manufacturing, or labor, or banking, as the term is ordinarily used. I mean rather the many groups that have as their special interest the promotion, prevention or abolition of this, that or the other policy or program which, in their belief, threatens (or insures) the health, welfare, happiness, freedom – even the permanence – of the American nation. Such people are not communists. They wish no harm to this country. Indeed, most of them have as their main purpose and mission a program of "saving" the American people from . . . . something.

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A Chorus of Defeat

It is not possible or desirable in an article of this brief compass to review and assess all these "movements." Some of them have a valid basis for the dissatisfactions they express. Some of the changes advocated are long overdue. But that being granted, one who loves this country is appalled at the extent to which their voices are directed, not at a particular evil, but at the whole American scene, its institutions, its people, and its government. Perhaps this is best illustrated by the emotional effort that was made, following the assassination of President Kennedy, to load the whole American people with a sense of guilt for the brutal act of one evil man.

The result of all this is that the audible voice, certainly the most quoted voice, of our country today is usually one of condemnation, hardly ever one of hope. The composite chorus of propaganda damns America generally, praises it seldom. Whether there is a South Asian War, a Middle East conflict, a shortage of fuel, or a problem of international credit, our country is customarily the villain, almost never the hero.

Certainly that is the impression one gets from watching television or reading newspapers and magazines. I am not at the moment criticizing those media. By and large, with notable exceptions, they report what is happening – the news. On the old man-bites-dog formula, bad news inevitably comes front and center. This much can be conceded to media that have plenty to answer for in the way of sensationalism and distortion.

But beyond the media are those who make the bad news – the shouters and ranters; the critics and defamers; the promoters of evil causes who defame with deliberate intent; the supporters of worthy causes who also defame, not with evil intent but by ascribing the worst motives to all who oppose them. Thus we hear that there is poverty in the land, not because some people are unfortunate, but because wicked and rapacious men are growing fat by despoiling the poor. There is pollution, not because we all throw our waste about indiscriminately, but because the producers of goods don't package them properly. There are shortages of fuel, not because we burn it up wastefully in our cars and furnaces, but because reckless producers of fossil energy are keeping oil and coal off the market. The cost of food is high, not because we have all accepted government-induced inflation as a way of economic life, not because transportation and all other costs have soared with a

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dwindling dollar, but because selfish farmers, scheming wholesalers, and retailers without conscience have conspired to drive prices up.

And so on, and on, and on . . . . in a cumulative jeremiad that strips our country bare of good intent or high purpose and presents it to the world and to its own people as a nation sunk in selfishness, iniquity and dishonor.

And it is a false rendering! It simply does not reflect the reality of America. This statement is no Pollyanna pretense to national perfection. We have our sins and follies to answer for, like other nations. But a ranting voice on a loud speaker; a screaming revolutionary with a bull horn; a murderer with a smoking gun or dripping knife; a sneaking arsonist setting fires; a cowardly terrorist planting a bomb to kill innocent people; a minority mob of students seizing offices, destroying records, spreading excrement, shouting obscenities — these are not America.

The Real America

America is in those millions of homes where love and decency and pride and parental concern and filial affection prevail — and it is nonsense to pretend, as some do, that such homes do not exist, or that they are diminishing in number. America is in those grade and high schools where girls and boys by the millions are studying and learning and ducking classes and killing time and flirting and falling in and out of love — as they have always done. It is in hundreds of small colleges and many universities, where the great mass of students are still concerned with learning, excelling, finding a good job, and "getting ahead in the world."

While all the noisy turmoil of marches, "protests," demonstrations, and riots occupies stage center, the people of the country carry on — working, earning, spending, saving, investing, taking chances, losing, winning, loving, marrying, having kids, getting on each other's nerves, quarreling, making up, planning, hoping, having disappointments, enjoying achievements, sharing sorrows, and making homes where warmth and faith and love abide.

While a handful of "activists" are disrupting traffic, upsetting cars, smashing windows, and thereby gaining a few headlines or a coveted spot on television, in hundreds of towns and cities all over the country men and women are giving their time to work on projects to benefit their communities. Businessmen are serving on committees; housewives are managing day care centers; working

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mothers are helping to build a home and a future for their families. Carpenters are aiding the Red Cross; bricklayers are active in the Community Chest; others give up their evenings to help operate clubs for boys and girls. On thousands of farms teenagers are being taught the essentials of husbandry and are competing for prizes contributed by people who are not required to do so, but who want to share their substance and point young people to a better future.

Serious Work for Progress

All very prosaic and materialistic? Of course. But so, despite its high moments, is life itself. Before we can paint or carve or write books or compose music or operate farms or organize business enterprises, we must eat, wear clothes, and be sheltered. Such, indeed, is the price of existence.

The great majority of people understand this and govern their lives accordingly. At the very time when campus riots were getting the headlines, the rioters were but a handful of students, often led by outside agitators. The overwhelming majority of students wanted to get on with the business of acquiring an education, the better to cope with the problems of their later years. And it was so with every other incendiary and revolutionary movement. Small coteries of irresponsible adventurers made noise and committed depredations. The serious work for progress in social betterment and human understanding was done by persistent pluggers who were unwilling to burn down the barn to eliminate the rats.

It is not the purpose of these paragraphs to decry propaganda, organization, meetings, agitation, or any other lawful means of focusing attention on needed reforms. *"Congress shall make no law . . . abridging the freedom of speech . . . or the right of the people peaceably to assemble, and to petition the government for a redress of grievances."* And aside from that Constitutional provision, change is the order of life; and today it is needed in many areas if mankind is to attain full freedom and realize its highest potential.

But it is a tragic mistake, cumulatively suicidal, to convert every demand for change into a crusade against the American society. With all its failures and shortcomings, that society is one of the best, perhaps on all counts it is the very best, that has yet been devised by groping man for his own governance. The evils that exist here are not peculiar to America, but are the common and tragic portion of all mankind. Sum

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them all up; take the total of everything that is complained of; and then place in the opposing balance the multiform advantages we Americans enjoy in terms of affluence, comfort, and freedom – do this, and the scales will tip resoundingly for the good, as against the bad, in our country. Or again, weigh in those same scales of comparison the advantages of life in the United States as against life in any other country on earth, and once more the balance will come down handsomely for the American performance.

Striving Toward Perfection

The perfect society, the country without fault or reproach, has yet to be devised. Man is a developing creature, still close to the cave and the jungle in many of his reflexes. He errs and sins grievously against his fellows, and against himself. Just now especially he is caught up in great tides of change, and is the victim as well as the beneficiary of vast scientific discoveries and technological advances. He stands today tiptoe, as it were, on the edge of a new immensity – his eyes on the planets and stars, his feet dragging in the mire of an all-too-earthy existence.

His glory is that he does consciously and persistently strive toward perfection. He does want to do and be better. Groping and stumbling, hindered by selfishness and prejudice, he does nevertheless catch visions of the better life and is at moments exalted. His tragedy is that he is still not as big as his visions, smaller in mind and comprehension than his science – a moral and ethical juvenile, overshadowed by the soaring splendor of his technology. But he strives, he reaches, he aspires – and therein resides his nobility. Therein also is found the hope of mankind for ultimate perfection.

Meanwhile, men are *not* perfect, neither we Americans nor anyone else. Our life is flawed by the failures, malice, ignorance, selfishness and general perversity of human nature. Our society has been and is marred by poverty – but far less so than the societies of most other countries. It has been scarred by crime, like other societies that boast of their high ethical standards. Capitalism in America has produced its quota of rapacious crooks – and so has socialism in England and Sweden and communism in Russia and China. A minority content of depravity, cupidity, and ruthlessness inheres in the human condition. The American society, like others, has failed in a subtle way to achieve the highest plane of freedom, possibly because it has made freedom into a kind of political shibboleth of something expressed in terms of

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physical advantage, rather than as an essential thing of the human spirit.

But it is a great society, easily the best and finest yet practiced among men. And it should not, for the sake of all mankind, be pulled apart, either by enemies who want to destroy it, or by friends who, with tragic good intent, are quite apt to dismember it in the process of trying to make it better.

The Americans love their country – but they constantly revile it. They are proud of its achievements – but they dwell on its blunders. They know about its remarkable successes – but they'd rather talk about its failures. They speak eloquently of its great future, all the while they are busily pulling it to pieces.

That is the enigma.

IDEAS ON LIBERTY

Freedom Lost Is Freedom Lost

THE GOVERNMENT FORCE which takes away any individual's freedom must always be applied locally because that's where the individual is.

Each and every individual is local to some locality. To destroy an individual's freedom, government force must be applied in his locality.

The argument that local government is less dangerous than federal government has been used to expand local governments all over these United States, and the government expansionists apply the same type argument to state governments.

"State governments," they say, "are less dangerous than the federal government."

The result is that local and state governments have expanded even faster than the federal government in recent years.

Local governments have been taking more and more freedom of choice away from the individual.

State governments have been taking more and more freedom of choice away for the individual.

The federal government has been taking more and more freedom of choice away from the individual.

They are *all* dangerous.

In recent years the greatest danger has come from local and state governments because they have been the most successful in taking freedom of choice away from the individual.

Freedom lost is freedom lost, whether it be to the federal government, the state government or the local government.

From the Colorado Springs *Gazette Telegraph*, July 5, 1974

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The Fellow-Travellers

IN THE BEGINNING there was the romantic tradition. The artists, worshipping clay, paint, decibels or words (as the case might be), retreated to their garrets with confused feelings that the French Revolution, which was supposed to have brought about a universal enlightenment, had misfired. The new Bohemians may have considered themselves to be socialists, anarchists or radical democrats, but they actually hungered without knowing it for an aristocratic order that would support them with a quite old-fashioned patronage. That was the way it had been before the damnable bourgeoisie began to scramble for capital to start factories – the "Satanic mills" – and that was the way it should be again.

The romantics were subsequently joined by the Fabian liberals, who sought to use government as a "planning" instrument to refashion society in accordance with supposed scientific principles. Calling themselves intellectuals, the romantics and the Fabians (or Progressives, as they were known in America), were actually short on analytical ability. They couldn't understand the emerging capitalism that had unshackled the producer after Napoleon had completed the wrecking of the old feudal world.

That was how things stood when, at the end of World War I, the Bolsheviks grabbed the levers of power in Russia, quite in defiance of Marx's theory that the "revolution" would first come in the industrialized countries. The scene was set for the rise of the Fellow-Traveller. The noncomprehending intellectuals (who was it said "thinking is too important to leave to the intellectuals"?) re-

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acted to the emergence of the Soviet State in a variety of ways, but on one thing they were agreed: the "experiment" in the land of the muzhiks was something to be coddled and protected.

In a remarkable book called *The Fellow-Travellers: A Postscript to the Enlightenment* (Macmillan, $8.95), David Caute follows the fortunes of three or four generations of intellectuals who were bemused by the Portent in the East through all the hot and cold war days of the middle twentieth century. The story, as Mr. Caute presents it, has the attributes of a great tapestry. The characters come and go, some of them changing their minds, some persisting to the end in holding that Statist Communism, though it might not be considered a good organizational form for a Western nation that had known habeas corpus and other liberties, is an acceptable order for a backward nation that has yet to achieve its industrial revolution.

Biographical Material

As a collection of interweaving biographies *The Fellow-Travellers* is fascinating. If you want to know whatever became of such Germans as Lion Feuchtwanger, Arnold Zweig, Heinrich Mann and Ernst Toller, all of whom trusted the Soviets to save their Fatherland from Hitler, you'll find it here, with a liberal garnishment of historical irony. The British Fellow-Travellers – Harold Laski, George Bernard Shaw, Sidney and Beatrice Webb, the poets (Auden, Spender), the detached socialists (Orwell was the greatest of them until he went to Spain and saw what the Stalinists were doing) – were more interested in Lenin and Stalin as planners than as anti-Fascists. The Fellow-Travelling French, from Anatole France and Romain Rolland on down through Andre Malraux and Andre Gide to Jean-Paul Sartre, were more abstract about it all (Anatole France was looking for a new breed of eighteenth century *philosophe*, Rolland was for universal peace, Malraux wanted adventure, Gide and Sartre had moral and existential preoccupations). The Americans—Lincoln Steffens, Anna Louise Strong, John Dos Passos, Corliss Lamont, Malcolm Cowley, Theodore Dreiser, Upton Sinclair, Max Eastman – got into the Fellow-Travelling act mostly for idealistic motives. They didn't fear Hitler as the Germans feared him, nor were they particularly interested in turning their own nation over to a Fabian bureaucracy, even though many of them came to accept the New Deal as a domestic substitute for more orthodox socialism.

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Shock Waves of Change

What is deficient about Mr. Caute's vast canvas is its failure to be incisive about the social shocks that brought intellectuals into the Fellow-Travelling orbit or propelled them out of it. The shocks began quite early in the game, with the breaking of the Kronstadt sailors' mutiny against Bolshevism. The 1929 depression was the biggest shock of all. Then came the counter-shocks: the Soviet man-made famine of the Thirties, the purges, the Moscow trials, the triumph of ugly dictatorship in the person of Stalin, the signing of the Nazi-Soviet Pact. Many of the American idealists—Max Eastman, Isaac Don Levine, Edmund Wilson, J. B. Matthews, Dos Passos, even Louis Fischer—got off the train at one point or another because they couldn't stand the sight of torture.

Max Eastman once wrote a great essay on the "motive patterns" that brought people to socialism in his time. Some were looking for freedom, others were more interested in order. Naturally the freedom-lover would react to a purge, or a fostered famine (breaking eggs to make an omelette), or the creation of an all-devouring Ogpu, in a different way than a "planner" with a bookkeeping mind would react.

If Mr. Caute had applied Eastman's motive-pattern test to his characters, he would have come up with more convincing explanations for the evolution of such "defectors" as Dos Passos or Malraux. And he would have been able to come to grips with the nature of many a Fellow-Travelling compromise. In Spain, Fellow-Travellers put up with the Stalin terror because they considered Franco the greater evil. So it was, all through the West, after Hitler had attacked Russia. Even such a freedom-lover as Winston Churchill could be a Fellow-Traveller on the pragmatic theory that "the enemy of my enemy is my friend."

The McCarthy Period

Mr. Caute is at his best in dealing with the Germans, especially the German Jewish intellectuals. They needed Soviet help to get rid of the Nazis. But when it comes to understanding the so-called McCarthy Period in America Mr. Caute misses the whole point. With Hitler out of the way, there was no pragmatic reason to regard the Soviets as friends. It was not mere "witch-hunting" that accounted for the U.S. concern with the behavior of Fellow-Travellers such as Owen Lattimore. The Soviets in the Cold War period, and the Maoists in China, were – and still are, for that matter – pushing for international domination,

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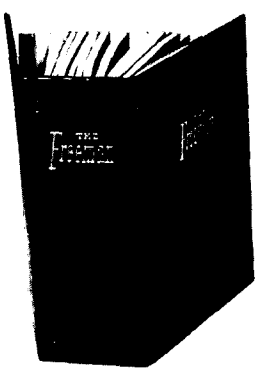
and the influence of people like Lattimore made it difficult for the U.S. to formulate a foreign policy that would be an adequate check on Communist expansion.

McCarthy was not a particularly intelligent student of Communism, and he couldn't do arithmetic. But there was no academic or journalistic "reign of terror" in the U.S. in the early Fifties. As a matter of fact, anti-Communist writers had difficulty getting their books published, and the only professor that lost his job during the so-called witch-hunt period was Willmoore Kendall of Yale, who made the mistake of exposing himself as a McCarthy sympathizer.

Hollywood, of course, was a different story: the pro-Communist film writers did have boycott troubles. But Morrie Ryskind could tell David Caute a thing or two about the long period in the Thirties and Forties in which the Fellow-Travellers arrogantly squeezed the anti-Communists out of the studios. What the Fellow-Travellers in Hollywood got in the McCarthy period was a bit of belated poetic justice.

Mr. Caute writes beautifully about the general Fellow-Travelling ambivalence. But, when he deals with the American scene, he is a bit ambivalent himself.



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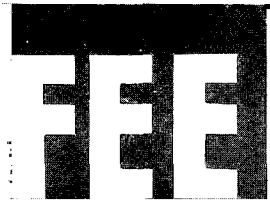

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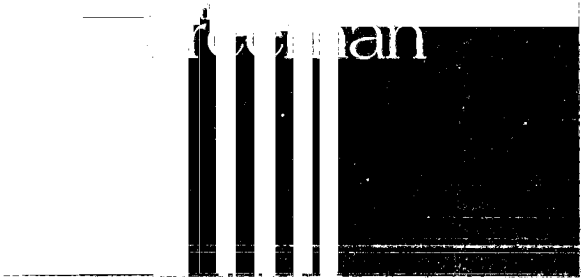

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